



anchorage

D O W N T O W N C O M P R E H E N S I V E P L A N

Appendix A

PHASE ONE REPORT :

E x i s t i n g C o n d i t i o n s A n a l y s i s

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1 OVERVIEW

Nowhere else in Alaska is there an urban center that compares to Downtown Anchorage. With a strong economic base, cultural and historic attractions, natural beauty and diverse recreational opportunities, Downtown Anchorage has long been considered Alaska's civic and cultural destination.

Downtown Anchorage is at a very exciting time in its history. Throughout the Downtown area, housing opportunities, civic enhancements, open space and recreation improvements are shaping it into a destination for Anchorage residents and visitors alike. Catalytic projects such as the construction of a new Civic and Convention Center, expansion of the Museum of History and Art, transformation of E Street into an active, pedestrian-oriented corridor are just some of the on-going projects that will enhance the Downtown environment and attract more people to experience its historic, cultural, and natural resources. A major goal of the Downtown Comprehensive Plan is to provide strategic direction for development and growth, while embracing livability and a sense of place. In doing so, the Plan will coordinate all on-going projects and proposals and integrate them and other civic improvements to collectively strengthen Downtown Anchorage and firmly position it as Alaska's civic, cultural and economic heart.

In order to begin the planning process for Downtown, a thorough analysis of its existing conditions was required. The purpose of this analysis is to understand Downtown's strengths and weaknesses; what current land use and development trends are beginning to take shape; how to best reconcile incongruent development and infrastructure; and what enhancements will have the most significant positive impact on Downtown for years to come.

In addition to this introductory chapter, the report is organized into seven focus areas, each with its own chapter, including:

- Chapter 2: Social, Cultural and Natural Analysis
- Chapter 3: Land Use and Development Analysis
- Chapter 4: Urban Design Analysis
- Chapter 5: Transportation and Circulation Analysis
- Chapter 6: Seismic Analysis
- Chapter 7: Economic Analysis
- Chapter 8: Regulatory Framework Analysis

Each chapter begins with a brief overview and a list of key issues, considerations and opportunities which provide a snapshot of how each area of focus affects Downtown. Following each chapter's overview is a more thorough analysis of the specific components within each focus area. This analysis builds the case for the Plan's recommendations and strategies to come later in the planning process.

1.1 INTRODUCTION

1.1.1 Project Background

Just as the Municipality of Anchorage (the Municipality) has invested in public improvements, it has also become increasingly focused on developing connections within Downtown so these improvements benefit from their proximity to other revitalization efforts, as well as strengthening links to Ship Creek, Midtown and adjacent neighborhoods. To this end, the Municipality initiated a series of planning efforts to provide the city, and the Downtown specifically, with a clear direction to strengthen its standing as a regional destination (See Diagram 1.1: Regional Context). The *Anchorage 2020 Comprehensive Plan* and the *Downtown Development Framework* were developed through these efforts. The *Anchorage 2020 Comprehensive Plan* is the adopted policy framework for guiding growth and development within the Anchorage Bowl. The *2020 Plan* outlines policies

in areas of land use and transportation, design and environment, and public facilities and services that encourage sustainable patterns of development, particularly in the Downtown area. Together with the *Downtown Development Framework*, the *2020 Plan* set the stage for the Downtown Comprehensive Plan and Land Use Regulations, which will further articulate the vision for Downtown Anchorage and identify how Downtown should best enhance its civic, cultural and natural resources through coordinated decisions, guidelines and regulations regarding land use, zoning, economic development and design. The Comprehensive Plan will specify the implementation actions needed to realize its vision and goals.

In addition to the Comprehensive Plan, Downtown Anchorage is in need of a Land Use Regulations update. The Central Business District (CBD) currently adheres to a three-tier zoning system that was adopted in early 1970s. The zoning system includes a bonus system that allows developments to go above the zoned height limitations and square footage requirements if they include public amenities in exchange. Though this system has resulted in some beneficial public spaces, it has also resulted in an incongruous mix of land uses, building heights and densities. The Land Use Regulations update will be developed in tandem with the Comprehensive Plan to ensure that the future of Downtown development reflects the vision and goals set forth in the Anchorage 2020 Plan.

1.1.2 Planning Process

The Anchorage Downtown Comprehensive Plan process began in August 2005 led by the Municipality's Planning Department and the Moore Iacofano Goltsman, Inc. (MIG) consultant team. The MIG team is comprised of local and national planners, engineers and economists, including Land Design North, RIM Architects, Northern Economics, Kittelson & Associates, Shannon & Wilson, Inc. and Economic and Planning Systems. Sheila Selkregg and Associates has served as the project manager for the Municipality. The process began with a three-day planning session in August, during which time the team met with stakeholders, toured the Downtown area, and met with the Mayor and Assembly members. This initial kick-off also included a visioning session with the Downtown Project Management Group, comprised of the Downtown Partnership, Anchorage Parking Authority, Alaska Railroad and the following municipal departments: Economic and Community Development, Traffic, Public Transportation, and Parks and Recreation.

Following the initial kick-off session, consultants pursued the existing conditions and site analysis. In October 2005, the team regrouped in Anchorage to review their progress, meet with additional stakeholders and introduce the process to the community at large. In addition, the Downtown Advisory Group, made up of a diverse group of Downtown stakeholders convened for the first time to identify Downtown's strengths, weaknesses and key opportunities. Throughout this session, the Mayor, Assembly members, participating community members and the Downtown Advisory Group crafted their vision and goals for Downtown.

Four more sessions are planned to develop alternative plans and strategies for Downtown, refine a preferred alternative, and present the draft Downtown Plan and Land Use Regulations. A second community workshop is scheduled in March 2006. The final draft of the Plan and Regulations will be completed in September 2006. Throughout the process, the consultant team and Municipality will engage the community at large and will work side by side with the Project Management Group, the Downtown Advisory Group, Assembly members and the Mayor to create a comprehensive plan that everyone can embrace.

1.2 VISION AND GOALS

In recent years the community has been invited to participate in the vision process for Anchorage. Rather than start from scratch, the Comprehensive Plan builds from the guiding principles identified during the Anchorage 2020 Plan. The vision statement articulated in 2001, states:¹

¹ Anchorage 2020, Anchorage Bowl Comprehensive Plan, p. 37.

Anchorage is:

- *A diverse, compassionate community where each individual is valued, and children, families and friendships flourish.*
- *A northern community built in harmony with our natural resources and majestic setting.*
- *A thriving, sustainable, broad-based economy supported by an efficient urban infrastructure.*
- *A safe and healthy place to live where daily life is enriched by a wealth of year-round recreational and educational opportunities.*
- *A caring, responsive government that is accessible and equitable for all its citizens.*
- *An active learning community with abundant cultural amenities.*

The 2020 Plan identified a set of goals for the city as a whole, which were grouped into four categories: Land Use and Transportation, Design and Environment, Public Improvements, and Implementation. This Plan adheres to these goals and has articulated a set of goals, which are specific to Downtown. Through initial discussions with community members and local stakeholders, including business owners, property owners, developers, the Anchorage Downtown Partnership, and Municipal staff, the following additional goals were identified:

- Integrate residential development.
- Maximize Anchorage’s unique identity.
- Enhance Downtown’s connections to the outdoors.
- Develop distinct sub-districts.
- Develop a reliable transit and parking management plan.
- Create an attractive pedestrian environment with walkable streets, streetscape amenities, and urban design features that respond to the human-scale.
- Maintain Downtown’s historic fabric.
- Ensure connectivity to surrounding neighborhoods, including:
 - Links to Ship Creek and Government Hill, Midtown and Diamond on A/C couplet
 - Links to East Anchorage and Mountain View/Eagle River on 5th and 6th Streets and the Glen Highway
 - Links to South Anchorage on the I/L couplet
- Provide wider range of commercial services and employment opportunities.

1.3 OPPORTUNITIES AND CONSTRAINTS ANALYSIS DIAGRAM

As a preview to the following chapters, this section distills the key opportunities and constraints from each area of focus in order to articulate their collective impact on Downtown. Diagram 1.2: Opportunities and Constraints Diagram illustrates these strengths and weaknesses.

1.3.1 Description of Key Elements

The Downtown Study Area is defined by Ship Creek to the north; 10th Street to the south; P to L Streets on the west; and Gambell to the east (See Downtown Study Area boundary on Diagram 2.1). The analysis in this document includes this entire Downtown Study Area. Within Downtown, a more active zone of activity exists which has been identified as the Downtown Core Area. This core houses many of Downtown’s

historic sites; offers the majority of commercial and retail amenities; provides dense development and results in the highest pedestrian activity. For these reasons, the core has required detailed urban design analysis.

Primary Development Opportunity Sites

Downtown is already experiencing an increase in development activity. A handful of development sites have been discussed and are in various stages of conceptual design. There are currently five catalytic development sites which have begun the planning process within Downtown and are described briefly below:

1. **Ship Creek Future Redevelopment.** The Ship Creek District is undergoing major redevelopment which will include an intermodal transit center, connections to E Street, mixed-use development and waterfront improvements and trail connections. This project is described in more detail in Chapter 3, Section 3.2 Ongoing Projects.
2. **E Street Infill Opportunity Site.** Immediately adjacent to 5th Avenue Mall and E Street, between 5th and 6th Avenues is an opportunity site that should be developed to activate Town Square and the E Street corridor. Development could include retail in the form of restaurant or a cafe that open onto the sidewalk. The upper floors could be developed as residential or office space.
3. **Sixth Street Infill Opportunity Site.** At the corner of Sixth Avenue and C Streets is a vacant site owned by Alaska Native Corporation. The lot faces the museum expansion and 5th Avenue Mall, which presents a development opportunity that could be a critical link, connecting the museum to the Fifth Avenue Mall and the Downtown activity along 4th Avenue and E Street.
4. **Museum Expansion.** The Anchorage Museum of Art and History is expanding from its current site along A Street and 7th Avenue to C Street. Additional exhibit space and an outdoor urban plaza are the two prominent features of expansion. The careful integration of this development into the Downtown core will have a significant impact on the Downtown experience. This project is described in more detail in Chapter 3, Section 3.2 Ongoing Projects.
5. **Civic and Convention Center.** An entire Downtown block is being dedicated to a new, state-of-the-art convention center that will triple Downtown Anchorage's capacity to host conventions and events. This project is described in more detail in Chapter 3, Section 3.2 Ongoing Projects.

Mixed-Use Housing Opportunities

Through initial discussions with Downtown stakeholders, community members, and city staff, the desire for more housing opportunities has been frequently expressed. In particular, empty nesters and young professionals consider Downtown an ideal environment for condo and loft development, which Anchorage lacks. Currently, the majority of housing options Downtown are in the form of single-family homes and mid-density apartments and condos along the perimeter of the Downtown Study Area. Diagram 2.1 identifies four new areas ideal for residential development. This new development would likely range from mid-density to high-density depending on the proximity to the Downtown Core.

Historic Sites

Downtown Anchorage is home to numerous historic buildings and landmarks. The majority of these sites make up the tourist area that surrounds 4th Avenue in the core of Downtown. Fourteen sites have been identified and described in Chapter 4, Section 4.5 Historic Buildings and Landmarks. The historic quality of the area should continue to be celebrated and enhanced through streetscape and architectural design, as well as interpretive and educational displays.

Infill Development Opportunities

Downtown Anchorage is currently sprinkled with surface parking lots. More often than not these parking lots are underutilized, meaning they are used by one company/business during a portion of the day when they could be shared for various compatible uses. The presence of so many surface lots breaks up the street

environment and often creates a less than friendly pedestrian experience. These parking lots could be redeveloped and converted into mixed-use developments that accommodate structured parking and offer retail and housing opportunities. The seven parking structures that exist today are identified in Diagram 2.1.

Gateways

When asked where Downtown Anchorage starts or ends, many stakeholders and members of the public expressed that Downtown lacks a sense of arrival or any prominent feature to signify that “you are here.” Diagram 2.1 identifies possible locations for gateways into Downtown placed along significant vehicular corridors. Three of these gateways could occur along the Park Strip and could be incorporated into the park’s landscaping at these intersections. In addition, a gateway from the military base could be located just north of 3rd Avenue and another from Glen Highway could be located at the intersection of Gambell Street and 5th Avenue. A gateway at the Port of Anchorage could provide a sense of arrival for ferry passengers traveling from Port MacKenzie.

Pedestrian and Bike Connections

The walkability of Downtown is key to its success as a vibrant, active destination. The Opportunities and Constraints diagram highlights the strong pedestrian connections that exist today and that should continue to be enhanced with development and streetscape improvements suggested in this plan.² Connections to existing pedestrian and bike trails are also noted and should be considered a priority as the plan is realized.

Transit

Given the densities of most Downtowns, efficient and reliable transit systems are necessary. The residents and Municipal staff of Anchorage realize the need for increased transit service as parking demand increases, housing increases, and the national trend of rising gas prices and sustainability impact it. The importance of efficient transit system is especially critical given Anchorage’s winter city climate. The location of the existing Downtown Transit Center is currently under consideration to best meet the needs of current users and prospective riders and coordinate with the proposed inter-modal transit center at Ship Creek.

Viewsheds

Downtown has three primary viewsheds, including views to Mt. McKinley to the north, Chugach Mountains to the east, and Cook Inlet and the Alaska Range to the west. It is important that these viewsheds be respected and preserved as Downtown develops.

² The diagram is conceptual; the arrows imply the continuation of pedestrian and bike connections.

2 NATURAL, CULTURAL AND SOCIAL ANALYSIS

2.1 OVERVIEW

Unlike most Downtown environments, Downtown Anchorage is lucky to be surrounded by stunning views and connections to regional open space, in addition to being home to some of the region's most popular cultural facilities and annual events. The historic character of Downtown's 4th Avenue reminds residents and visitors of the diverse culture and history of the city. Despite these qualities, Downtown Anchorage has not yet achieved a level of vitality and activity that will sustain it as the social heart of Anchorage. An important consideration in evolving the character and quality of Downtown's social, cultural and natural environments that will help to characterize the urban core is an integral wayfinding system that facilitates route finding to desirable destinations. Currently, Downtown's wayfinding system is inconsistent and piecemeal.

This chapter addresses the strengths and weaknesses of the natural, cultural and social environments within Downtown. Many of the issues and opportunities addressed in this chapter impact one another and are not necessarily specific to the focus area in which they are identified. For example, the issue of providing safe, welcoming open space within Downtown is tied to social issues of transient and homeless use.

2.2 KEY PLANNING ISSUES, CONSIDERATIONS AND OPPORTUNITIES

- Downtown Anchorage is unique in its proximity to an abundance open space, greenbelts and trail systems.
- Downtown lacks an easily navigable wayfinding system to inform visitors and everyday users of desirable destinations, connections, activities and events.
- Downtown is not considered welcoming to all of Alaska's residents.
- The Downtown area attracts transient and homeless populations that impact perceptions of safety.
- The cohesiveness of the Downtown environment is adversely affected by fast-moving regional traffic volumes, limited streetscape amenities, and the lack of a central gathering space.

2.3 NATURAL SETTING AND OPEN SPACE CONDITIONS

One of Anchorage's greatest assets is its beautiful, northern natural setting. Located at the confluence of Knik Turnagain Arms, the city is surrounded by dramatic mountain vistas, many of which are snow covered year round. Located at the foothills of the Chugach Mountains, Anchorage has a direct and convenient connection to a wilderness environment accessible by vehicle in less than half an hour. Opportunities exist for viewing many types of wildlife such as grizzly and black bears, moose, sheep, mountain goats, raptors, and other indigenous animals and birds. This is a unique and defining landscape for the most northern city in the United States, yet the Downtown lacks a strong physical and contextual connection to this uniquely Alaskan setting (See Diagram 2.1: Natural Resources).

2.3.1 Open Space System

The larger Downtown Anchorage natural system is defined by a broad alluvial fan framed by Ship Creek along the north and Chester Creek along the south. Both empty into the Cook Inlet which with the mud flats and wetlands forms the western edge of the larger Downtown natural system. Merrill Field is the man made feature that defines the eastern edge of the greater Downtown Anchorage area.

A unique asset related to the Alaskan setting is the adjacency to Salmon runs on Ship Creek and the surrounding greenbelt and trail systems that provide a woodland environment for pedestrian and bike access to sub-arctic mountain and inlet coastal environments with limited road crossings. In addition to providing

recreational opportunities, these greenbelts provide wildlife habitat close to Downtown which offers residents and visitors wildlife viewing opportunities.

This large system is framed by two major greenbelt/park systems including Ship Creek and Chester Creek Greenbelts. Both greenbelt systems have or are developing trails that provide connectivity with residential areas to the east and south. The Tony Knowles Coastal Trail links Chester Creek with Downtown and southwest residential areas to Kincaid Park. Plans for the Ship Creek Point Trail would link Ship Creek Trail to the Coastal Trail and Downtown completing the larger trail network.

Within this larger system of greenbelt and trails are several major destination parks that are linked together in the overall Anchorage Park System. All of these parks can be reached by bike within an hour of Downtown. The major parks in this system include:

- Westchester Lagoon/Sullivan Park
- Valley of the Moon Park
- Earthquake Park
- Kincaid Park
- Russian Jack Spring Park
- Chester Creek Sports Complex
- Goose Lake/University Lake Park
- Far North Bicentennial Park

These open spaces offer are a great resource to Anchorage residents, however Downtown lacks a comprehensive wayfinding system that informs residents and visitors of the potential for connections to and use of these resources.

2.3.2 Downtown Parks and Natural Systems

The Downtown study area has a number of well developed parks that were part of the original city park system including:

- Town Square Park: 1.8-acre Community Use Park
- Delaney Park: 34.5-acre Community Use Park
- Qu yana Park: 12-acre Natural Resource Use Park
- Peratrovich/Old City Hall Park: 0.86-acre Special Use Park (Historic)
- E Street and 4th Avenue Plaza: 0.25-acre plaza
- Eisenhower Memorial
- Resolution Park: 0.75-acre Special Use Park – Captain Cook Monument
- Ship Creek Overlook Park: located adjacent to the Ship Creek Bridge along the north side of the creek
- Ship Creek Greenbelt: owned by Alaska Railroad with use agreement with MOA for park management
- Ben Crawford Memorial Park / Pioneer School House: 1-acre Special Use Park (Historic)
- Ship Creek Point Overlook: Small area adjacent to Small Boat Harbor

There is currently a lack of appropriate open space in the eastern portion of the study area. Ben Crawford Park, which is a small wooded area with some picnic tables, and the School House are the only open spaces east of A Street. The old Alaska Native Hospital site offers a potential for a community-oriented park for east

Downtown. However, with increased residential development, such as the McKinley building, there will also be need for several small pocket parks or plazas which should be connected along 3rd or 4th Street.

2.4 HISTORIC AND CULTURAL INFLUENCES

2.4.1 History of the Municipality

Anchorage became a railroad tent town for ARR in 1915 when President Wilson authorized funds for construction of the Alaska Railroad. Later, Ship Creek Landing was selected as the headquarters. In 1920, the tent town became incorporated as the Municipality of Anchorage. As a result, the city was developed around the railroad at the mouth of Ship Creek. Some of the first homes were railroad cottages built on the bluff overlooking Ship Creek on what is now 3rd Avenue. Several of these original cottages still exist as historic properties and are in use. Anchorage's culture reflects a rich frontier history of exploration, gold mining, trapping and hunting and subsistence lifestyles.

2.4.2 Cultural Influences

The sheer size of the state creates an incredibly diverse climatic regions and environments ranging from the coastal rainforests of Southeast Alaska, to the windswept grassy rock islands of the Aleutians, to the far North Arctic. This diversity of region and climate is reflected in the diversity of the indigenous cultures, many of which are still thriving today. Alaska Natives represent approximately 16% of Alaska residents and are divided into 11 distinct cultures (speaking 20 different languages) that are organized into 5 primary groups; the Athabascan; Yup'ik and Cup'ik; Inupiaq and St. Lawrence Island Yupik; Aleut; and Aleutiq, Eyak, Tlingit, Haida, & Tsimshian.

Anchorage has become the largest and most diverse "Alaska Native Village" in Alaska having residents from all the Alaska Native Cultures. This cultural heritage and diversity is unique to Anchorage and is not readily apparent to visitors to Downtown Anchorage. The population of the Anchorage community consists of 15% Alaska Native or part Native, according to the 2000 US Census. An example of this diversity is the student population in Anchorage, which reflects the rich cultural and ethnic diversity of the community. The Anchorage School District's student population is comprised of 42% ethnic minority groups. The district's schoolchildren speak 95 different languages.

Despite this diversity, Downtown Anchorage is not considered attractive, welcoming or safe to many Alaska Natives. Negative stereotypes of Native Peoples are still expressed among non-native Alaskans. An effort to change these perceptions through a media campaign that educates citizens, including Downtown business owners and shopkeepers, and celebrates the cultures comprising Anchorage's population would allow for more well-rounded news coverage of Alaska Natives. Such an effort could help make Downtown a more welcoming environment for all. For example, the annual Alaska Federation of Natives Conference (AFN) was traditionally held in Downtown Anchorage at the Egan Center. Last year the conference was relocated to Fairbanks where greater efforts at welcoming Alaska Natives were made, including cultural sensitivity trainings for businesses. Unfortunately, the Municipality of Anchorage did not take the appropriate actions to welcome the AFN and recognize the economic impact that losing this conference would have on the local economy. The Municipality needs to take the steps to build the trust and include more Native representation in the Anchorage Downtown Partnership. In future years, the conference is likely to alternate between the two cities, though Downtown Anchorage's proximity to health care and shopping makes it the more desirable geographic location.

In addition, Alaska Native Corporations have made significant economic and social impacts in Anchorage, yet they have chosen not to develop their Anchorage Corporate Headquarters and related facilities in Downtown Anchorage. A significant percentage of Midtown is owned and developed by Native Corporations. More effort to attract Native Corporations Downtown could help change the cultural climate in the urban core.

The possibility of building a cultural center in Downtown Anchorage has been considered. The center would represent all the cultures that make up Alaska's diverse population and would serve as a permanent reminder of all the people who have made Alaska what it is today.

2.4.3 Downtown Cultural Events

A popular winter cultural event in Anchorage is the Fur Rendezvous. This celebration was founded in 1939 and with the exception of a pause during World War II, has continued annually to date. Traditionally, it included Fur Rendezvous Dog sled races and an annual presentation of Alaska Native dances among other festivities. It was conceived as a way to bring all of Anchorage's residents together for a carnival event to celebrate the beginning of the end of winter in early February. Because fur trading was the second leading industry at that time, fur trading became an important part of the festival. It allowed trappers and buyers to meet and ply their trade. The current version still features a strong trapping and fur trading context, but also includes many more contemporary social activities. Later in the winter season, the beginning of the Iditarod dog team race offers another opportunity for Downtown festivities.

2.5 SOCIAL IMPACTS

Greater Anchorage is a sprawling, low-density community. Downtown Anchorage was originally developed surrounded by a traditional grid of residential neighborhoods. In the 40's and 50's the Downtown area was encircled by simple homes with large vegetable and flower gardens. It was not uncommon to find streets adjacent to Downtown streets lined with Crab Apple and other flowering trees. Yet, as in most other American Cities, during the last four decades, Anchorage's population moved to suburban area rather than creating a dense residential district within Downtown. Today, however, the National trend echoed in Anchorage has more seniors, empty nesters and young professionals looking to live in urban areas. The goal of this plan is to determine how social conditions and impressions among Anchorage residents can be addressed to attract residents to experience Downtown on a regular basis. The following sections outline the key issues that impact peoples' social experience Downtown.

2.5.1 Streetscape Environment

Fourth Avenue is commonly considered the social and cultural spine of Downtown Anchorage. The pedestrian amenities that exist along 4th Avenue combined with the eclectic mix of building facades, pedestrian scale of the street, and concentration of historic sites create an enjoyable streetscape that is unique to Downtown Anchorage. This environment has been made even more successful by the addition of the planters and flower baskets that decorate the Downtown environment during the summer months (conversely, the city of lights program also adds to the vitality of the winter months). Both residents and visitors appreciate this aesthetic and relate to it as a special part of Downtown Anchorage.

However, the streetscape of 4th Avenue is not enough for several reasons. It does not do enough to attract residents of Anchorage to experience Downtown because most shops are catered to tourists. A greater diversity of retail stores that serve local needs, such as a drug store or small grocery store, would be attractive to residents and visitors. In addition, the extent of the vibrant 4th Avenue pedestrian environment is limited within the Downtown Core Area. The transition from the 4th Avenue streetscape to a lesser quality environment creates an invisible edge that is not conducive to connectivity of the overall Downtown Study Area and other important cultural and social activity areas such as the 5th Avenue Mall and adjacent retail, the Performing Arts Center, the Museum and the proposed new Civic and Convention Center.

2.5.2 Homelessness/Transient Populations

As with urban centers nationwide, the most visible evidence of transients (adult and youth) and homelessness are found in Downtown. Here the needs and interests of the individual often collide with the need for a sense of safety on the part of the worker, resident or visitor, and the interest in asset management and development on the part of the property owner and businessperson. Loitering, in particular, occurs in

Downtown pocket parks, Town Square, and alleys. Because a high percent of the individuals with substance abuse and homelessness are Alaska Native, an inaccurate, disturbing first impression is created of Alaska's First People. Organizations such as Anchorage Downtown Partnership, Ltd. are partnering with social service providers and advocates to find creative solutions to both the immediate and the chronic issues of transients, homelessness and mental illness on the streets. It is still prevalent and creates a negative image as well as safety concerns for Downtown. This presents another reason to develop a media campaign that showcases the positive events and activities that Downtown has to offer.

2.5.3 State/Regional Vehicular Traffic

In addition, the cohesiveness of the urban environment and the social fabric is adversely affected by the traffic type and volume, and right of way design limitations generated by Downtown State Highways. This is a significant issue affecting our ability to create a cohesive pedestrian environment that binds and connects Downtown. State rights-of-way along 5th and 6th Avenues and A and C Streets bisect the urban core. A particularly limiting factor is state right-of-way regulations, which do not differentiate between rural and urban corridors and do not allow for appropriately scaled and useable pedestrian amenities. This is a contributing factor to Anchorage's urban center lacking a cohesive social/cultural district.

2.5.4 Parking Limitations

Similarly, the perception exists that Downtown Anchorage has limited parking and that access to activities is difficult. This perception is magnified during the winter months by snow and ice, lack of way finding elements, and walking distances from parking to destination in cold temperatures and darkness. Typically, Anchorage residents are inclined to use passenger vehicles for transportation and are not inclined to use structured parking as their first parking alternative. During busy activity periods within Downtown, on-street parking fills up quickly resulting in the perception of limited parking.

2.5.5 Lack of Public Gathering Space

In addition, Downtown would benefit with a large gathering place that attracts a city-wide attendance. Town Square is appropriately centrally located for this type of activity. The existing design of the Town Square is not viable, however. The combination of circuitous and sloping pathways through heavily treed landscaping and a small terraced fountain and plaza creates an environment that is neither park nor plaza. The existing design actually deters people from using the Square after dark due to the perception of lack of safety. A true plaza in the Downtown Core will enhance vitality and encourage citywide gatherings for special events.

Together these factors have negatively influenced the quality of the social dynamics within Downtown and has prevented Downtown from achieving a cohesive urban environment. However, never before in the United States has there been such a desire to return Downtown's to bustling centers for commercial, business and residential activity.

3 LAND USE AND DEVELOPMENT ANALYSIS

3.1 OVERVIEW

This section of the existing conditions report focuses on existing land use patterns in the Downtown Study Area. The Municipal Department of Community Planning and Development last conducted a land use inventory as part the *Anchorage 2020* comprehensive planning process.³ The land uses and corresponding GIS land use map have been spot checked and partially updated by the consultant team through property appraisal data, field checks, and discussions with the real estate and development community.

The Existing Land Use Patterns section of the report identifies key planning issues, considerations, and opportunities. It then describes each of the following uses: commercial/retail, residential, government/office, hotels/restaurant/entertainment, cultural uses, industrial, and transportation-related uses (See Diagram 3.1: Existing Land Use). Significant declines or increases of each land use pattern are discussed along with whether the current trend is leading to expansion or relocation of uses and development types.

It is important to understand how the land use patterns and Downtown development are being perpetuated by existing zoning, physical constraints such as seismic risk, construction costs, and lack of a rehabilitation building code, and development of office, entertainment, and retail uses in other parts of town.

3.2 KEY PLANNING ISSUES, CONSIDERATIONS AND OPPORTUNITIES

- Downtown needs amenities, character and services that make it “vital” and alive.
- Downtown needs to encourage pedestrian tourist traffic throughout with the use of streetscape amenities (flowers, trash receptacles, snow removal, restrooms, drugstore, and sidewalk conditions). Ground floor activation of all buildings and lots could significantly help this. Reassess how building code and regulations can ensure that quality and character are integral to Downtown development.
- The E Street Corridor improvements, new civic and convention center, museum expansion, and ARRC’s intermodal transportation facility are public-private investments that should encourage land use patterns and development that strengthen Anchorage’s Downtown core. The goal of these investments is to provide the amenities that attract residents to live Downtown and to enlarge the retail market sector opportunities.
- Anchorage’s urban core currently lacks appropriate density to create a cohesive social/cultural district. It will be important not to undermine the vitality on 4th Avenue by pulling commercial and civic activity associated with the new development described above. The identities of each sub-district, including Ship Creek and the Downtown core should be delineated so that they complement one another, rather than compete.
- Housing development is a priority. Provide incentives and lower interest rates to encourage development Downtown.
- Signage and wayfinding with coordinated lightpole and banner designs needs attention; reassess signage restrictions.
- Future land use development patterns for commercial/retail should be steered in such a way that Downtown benefits from the consumer traffic through the Saturday and Sunday market.

³ Field inventories were conducted 1994 and 1998. There has not been a comprehensive update to this land use inventory since then. *Northern Economics, Inc. Personal interview with Municipality of Anchorage Manager of Technical Services Fred Carpenter. September 6, 2005.*

- A bus loading area should be designated to encourage cruise passengers to experience Downtown, rather than allow shuttles to take visitors out of Downtown.
- Sub-districts such as the SoNo Boutique District and the Arts District should be developed. Build on events like First Friday.
- The proposed Knik Arm Crossing could greatly change the nature of the area north of Downtown if it goes forward.

Development Trends

Overall there has been increase in commercial/hotel and institutional (government/office) land uses in the Downtown Study Area within the last five to ten years. While commercial office development is stagnant, government office development is vibrant Downtown. However, according to property appraisal and commercial development community, there has been relatively low demand for land Downtown. The number of surface parking lots Downtown is an indicator of this low demand. There has been little replacement of older properties with resulting change in use.

The increase in the number of hotels in the Downtown Study Area— both high-rise and low-rise—indicates healthy tourism and conventioner markets. The new civic and convention center will replace a surface parking lot. With the new Civic and Convention Center, existing City Call, state office building, Conoco Philips office building and nearby Alaska Center for Performing Arts and Egan Convention center come an aggregation of Downtown activities and uses. This aggregation of uses should serve as a catalyst for co-development of commercial/retail land uses. With these amenities comes a higher attraction for residential development. There is a need for a movie theatre Downtown. The historic Fourth Avenue Theatre is for sale and presents an opportunity to return to its original use.

Certain land use regulations may be hindering private investment in servicing the office space needs of the local, state, and federal agencies. Title 21 requires public facilities that intend to have a 10-year lease or more to go through a complicated site selection process. So government agencies opt for a 9-year lease to avoid going through the process, but funding/financing timeline does not adhere to 9-year life. The city is losing out too because they're not getting the best price due to the arbitrary 9-year limit.

Infill Development Opportunities

Numerous parcels throughout the Downtown Study Area are not currently the highest and best use. Such lots offer redevelopment opportunities that have development and redevelopment potential as noted in Diagram 3.2: Existing Infill and Parking Sites. As part of the Downtown Development Framework planning process, the Municipal Planning Department provided a map that identified parcels in which the assessed land value was equal to or greater than 50% of the total assessed value. Most of the vacant land was east of C Street and on Railroad lands below 1st Avenue in the Ship Creek area. The most notable vacant lot in the Core Area is adjacent to the 5th Avenue Mall and across the street from the future museum expansion.

East Downtown

The land use patterns and development east of C Street differ greatly from the Downtown core. This area is separated from the civic and cultural facilities and major retail of the Downtown core. It is less pedestrian friendly. There are noticeably more vacant lots and vacant commercial structures. There are a higher percentage of lower income residents, transitional and institutional housing, and location of social service agencies.

Car dealerships have grown in number and size on the east end of Fifth Avenue and Sixth Avenues at Gambell. The redevelopment of the McKay Building and annex and new senior housing project near Cordova have the potential to help revitalize this area but have been on-going projects since 1997.

Competing Districts

A significant amount of new office, retail and entertainment development is occurring in districts adjacent to Downtown, specifically Midtown. However, Downtown and Midtown serve different markets. Downtown has more restrictive development standards, whereas Midtown has none. Midtown requires off-street parking, whereas Downtown does not. Midtown is zoned B-3, which has made it easy for any development, regardless if it is the highest and best use. Midtown is currently out-competing with Downtown in the office space market. Midtown's rental prices are lower than those in Downtown. According to the commercial real estate community, parking is the most influential benefit.

The two districts should be linked to complement each other. Greater connections through wayfinding and transit options should be offered to provide workers and residents within each district to easily access the other.

Community Development Authority

The relatively new Community Development Authority could play a major role in funding and facilitating Downtown development projects by helping to assemble land for residential development strategically located adjacent to new public-private investments. The parcels with high redevelopment potential for residential are those along 9th Street. The existing city Department of Health and Social Services Building and land between 8th and 9th on L Street will be vacant/available once the new municipal health facility is complete (outside of Downtown area). This publicly-owned parcel presents an opportunity.

3.2.1 Commercial / Retail

Commercial/retail uses are concentrated near the Fifth Avenue Mall between 5th and 6th Avenues and E and C Streets. Major retailers Nordstrom and J.C. Penney's are located on 6th near D and E Streets, respectively. Some smaller storefront retail exists south of Nordstrom on E; local retailers have rallied to call this corridor "SoNo". Other active storefront retail extends west of J.C. Penney's along 5th Avenue on both sides of the street until Town Square. On the northeast corner of Town Square are the two remaining historic structures/small retail. Shop-front retail extends east along 4th and 5th until C Street. Ground floor retail exists at the Captain Cook Hotel at the west end of Third and Fourth Avenues.

While the Fifth Avenue Mall has seen increased retail tenant occupancy, there has been a decline in shop-front retail growth, with some notable increases in select corridors. Two thriving shop-front retail corridors are D Street between 4th and 5th Avenues and G Street from 3rd to 5th Avenues. The G Street Corridor markets itself as the G Street Art Corridor. The aggregation of art stores, restaurants, bars, ethnic goods has attracted new specialty boutique shops. The G Street Corridor has an annual Galway Days Festival which brings foot traffic and shoppers into the area. The Saturday/Sunday public market operates during the summer and is located in a surface parking lot at Third Avenue and E Street. South of the market on Fourth Avenues are the Sunshine Mall and Ship Creek Center, which have some retail activity and tourist attraction. Some of the shop owners within these "malls" have stalls at the Saturday/Sunday market.

The current retail trend is leading to full occupancy in the 5th Avenue Mall and boutique retail south of Nordstrom. Some of the boutique retail has located in converted single family residences. There has been a trend towards seasonal, tourist-oriented retail on Fourth Avenue and storefront tour companies; some of these shops close in the winter. Several large, upscale car dealerships are thriving on the west end of Fifth Avenue near Gambell and along Gambell near 7th Avenue. Except for the G Street and D Street corridors and shop fronts on segments of Fourth and Fifth Avenues from E Street to G Street, there needs to be more ground floor activation of spaces and expansion of shop-front retail in the Downtown Study Area.

With the development of the civic and convention center and the expansion of the museum, there could be a shift in location of retail south towards the Park Strip and east toward Cordova, respectively. This shift in commercial/retail land use and activities would likely support prospective market rate residential development in these new locations in the Downtown Study Area.

3.2.2 Residential

Residential land use patterns in the Downtown Study Area are predominately older (1950s vintage) single family residences and located in pockets on the perimeter of the Downtown Study Area such as: between 2nd and 1st Avenues along F Street, east of C Street towards Barrow, and along 9th Avenue. There has been relatively little replacement of older single family dwellings for denser, multi-family, or condominium development. Many older single family residences have been converted to professional offices, optometrist and hair salons, or clothing boutiques. More dense, market rate residential development areas are south of 10th Avenue, west of M (Bootleggers Cove and South Addition), and Government Hill beyond Ship Creek to the north. There is some mixed use on D Street, where residential is on the second story of an historic structure, with ground floor retail. There is a concentration of low income to very low income housing and quasi-institutional housing east of Cordova.

There has been a slight but notable increase in above market rate and market rate, multi-family residential development as a result of redevelopment across the Park Strip on 10th, 7th and Cordova east of the museum, and west at 5th Avenue and M Street. Market rate multi-family housing is also under development south of the Downtown Study Area at 13th Avenue.

The current residential trend is leading to more multi-family, or condominium development, due to the changing demographics of Anchorage— more seniors who desire a certain lifestyle choice and single working professionals. Specifically, this trend is appearing between Sixth and Seventh Avenue near Barrow east of the museum and west outside the study area towards the Bootleggers Cove. There are potential development plans for condominiums near 8th and A, near Town Square, and along Christenson and First Avenue in Ship Creek. There is a trend towards rental development and senior housing with the McKay redevelopment east of Cordova. Prospective residential projects are planned for 9th Avenue west of A Street.

3.2.3 Government/Office

Federal, State, and Municipal government offices are located in three areas, with federal and state leases scattered in various office buildings Downtown. City Hall is between Sixth and Seventh with the multi-story State Office Building within a block to the southeast (City Hall, like the State Office Building, is now under private sector ownership). The Municipal Health and Human Services building is located at 8th and L, and the new Fire Station is on eastern end of 3rd. The State Courthouse and State Attorney General offices are on the west end of Fourth Avenue. The federal office building, courthouse and other GSA property and offices are located near the museum, south on Sixth and extending to the Park Strip on 9th. Other federal government offices are the National Park Service Building, one block north of the museum expansion and facing 5th Avenue. The relatively new FBI Building is located to the east on 4th Avenue east adjacent.

There has been an increase in Government offices Downtown in the last five to ten years with the municipal fire station at third and A Street, move and consolidation of state offices from mid-town, and the new FBI Building

Commercial office space is dominated by Conoco Phillips tower adjacent to City Hall on 7th. The Unocal high-rise building is at 9th and I Streets along the Park Strip. Several low-rise professional offices extend west. Architectural and engineering design firms, law offices, and professional services are generally located in the Downtown Core. The ARRC's headquarters and facility offices are located in Ship Creek area.

The current trend is in converting the use of older single family residences Downtown to professional offices such as legal, medical, dental, and optical. This type of commercial/office is occurring on 9th Avenue north of the Park Strip and in the blocks between I and M, and in the area north near Christensen and Second Avenue. The trend to convert existing structure for smaller commercial office use shows the lack of new commercial office construction that Midtown has seen. Recently, Winterberry Charter School, a relatively new, multi-story commercial building at Second and E Street was converted to an institutional use.

3.2.4 Visitor Serving Commercial Land Uses

Hotels

The large convention and tourist hotels are entirely located on the west end of the Downtown core with the exception of the Sheraton east of C Street on Fifth Avenue. There was a major renovation of the Holiday Inn (now Howard Johnson's) on Sixth Avenue near C Street in 1998. The Marriott Hotel was constructed in 1998. Three new low-rise hotels have been built east of C Street in the Downtown Study Area in the last five to eight years: Aspen Hotel, Clarion Suites south of Nordstrom, and Hawthorne Suites just west of L Street. Many older low-rise hotels and budget accommodations are located east of C Street.

The most impressive land use and development pattern in the Downtown Study Area in the past five years, according to the municipal tax assessor, has been the increase in numbers of hotels, particularly low-rise. Several apartment buildings east of Cordova have also converted to low-rise motels.

The trend is for more hotel development to meet conventioner market demand from the new civic and convention center.

Restaurant/Entertainment

Restaurant/Entertainment venues include theaters, restaurants, cafes and bars.

Most of Downtown's restaurants have developed in the vicinity of the major hotels and retail in Downtown's west end. Notable new restaurants that have served as catalysts for adjacent shop front retail are the Glacier Brewhouse and Orso's in a redeveloped building that once was the "Fur Rondy Palace" on Fifth Avenue between G and H Streets. They have served to attract customers into the vicinity of the G Street Corridor. A new restaurant has located in the Ship Creek redevelopment area south of the creek itself. This is the kind of amenity that will be needed to spur a residential land use pattern in this area north of Downtown core.

Several coffee shops have opened Downtown on Fifth near the Performing Arts Center and on side streets, including a new locally owned coffee shop has opened in the ground floor of the Performing Arts Center.

A number of bars exist throughout the area. Some are part of restaurants or combination restaurant/bars while others offer little in the way of food. There are also at least two clubs for persons under 21 which operate primarily at night or on weekends. Many of these bars have entertainment of one form or another including live bands, DJs, karaoke, and background music. Some like those on 4th and E Street and Bernie's south of Nordstrom are part of a development pattern that renders an active pedestrian corridor. Other bars such as the two or three on 4th Avenue between C and D Street are holdovers from a redevelopment effort in the 1980s that led to the development of the 5th Avenue garage. These bars on Fourth Avenue between C Street and E Street are disincentives to commercial/retail activity in this area.⁴

Noticeably missing Downtown is a movie theatre. The historic Fourth Avenue Theatre— once a movie theatre— is used for special functions and staging area for trolley tour. With the prospect of more market rate residential development in the Downtown Study Area, there will be desire for more entertainment options, such as a movie theater, Downtown.

An entirely different draw is the Salmon run along Ship Creek. The seasonal run draws local and international fishermen and spectators.

3.2.5 Civic/Cultural Uses

The civic/cultural uses include the Anchorage Museum, Imaginarium, Performing Arts Center, Egan Convention Center, Cyrano's Playhouse, Alaskan Experience Theatre, National Park Visitors Center, and

⁴ Conversation with Anchorage Downtown Partnership staff, Working Group design charette. October 12, 2005.

others, even including horse-drawn carriage rides. There is a trend towards concentrating cultural uses Downtown west of C Street.

Cultural uses such as the Egan Civic and Convention, Alaska Center for the Performing Arts, and Town Square are adjacent to each other between E and F & 4th to 6th Avenues. The historic Old City Hall/Peratrovich Park and Federal Building are cultural attractions which house a log cabin visitors' center and public lands information center, respectively. The Anchorage Museum of History and Art is located further east.

With the new civic and convention center slated for completion in 2008 and expansion of the Anchorage Museum of History and Art, there will be a significant increase in cultural uses west of C Street.

3.2.6 Transportation-Related Uses

The Parking Authority parking system is comprised of the 5th, 6th, and 7th Avenue garages, surface lots, and on-street metered parking.⁵ There are three public parking garages (which together provide 2,163 parking spaces) and 2,550 public on-street parking spaces Downtown. There are several surface parking lots, both publicly and privately owned; those under the Parking Authority's management provide an additional 950 spaces.

The main hub for the bus transit system is located on the ground floor of the public parking garage at 6th and 7th Avenues between H and G Streets next to City Hall. Fifth and Sixth Streets are one-way streets running west and east respectively, which discourage pedestrian traffic. The Tony Knowles coastal Trail runs west outside the study area until it links into the Downtown transportation system along 2nd Avenue.

- There will be an important (\$2 Million) transit stop on 6th Avenue in front of the Museum Expansion's urban forest.
- Sidewalk conditions/widths and traffic circulation will need to be coordinated with rest of Downtown (especially along the couplets).

The pervasive and persistent use of surface parking within the Downtown continues to hinder infill with urban development. By 2008, according to a demand and feasibility study for new garages conducted for the Anchorage Parking Authority in 2004, there will be a need for new parking spaces in the Downtown core. Prospective plans include a mixed use parking structure with ground floor retail, public and private parking, and market rate residential. The feasibility of such a mixed use parking structure may depend on a site without the physical constraints of seismic conditions. Seismic risk drives up the cost of construction.

3.2.7 Industrial Uses

The Downtown Study Area encompasses many acres of industrially zoned land north of First Avenue, which are Alaska Railroad Corporation's (ARRC) lands. It is the intent of the Ship Creek Development Master Plan that the property south of Ship Creek be transformed into predominately commercial, retail and residential uses (see Section 3.2 for more detail). In addition, a cold storage facility, and one of Anchorage's only manufacturing facilities and popular visitor attraction—the Ulu Factory—are located in the area south of Ship Creek. The parking lot in front of the historic depot is utilized in the summer for visitors to Saturday Market.

According to the implementation strategy for the Ship Creek Development Master Plan, there has been a decrease in industrial uses south of Ship Creek. More commercial/retail, pedestrian, and residential uses will help link Ship Creek and the waterfront area to the rest of Downtown.

⁵ These numbers reflect the on-street parking under the management of the parking authority within the Study Area from 2nd to 10th Avenues and M to Gamble Streets.

Overall, the current trend is leading towards more commercial, retail, and residential development on industrial use lands north of First Avenue.

3.2.8 Institutional Uses

There are several institutional uses that are not of a cultural character nor government offices, in the Downtown Study Area, most of which are concentrated in the northeast. These institutional uses are quasi-institutional or social service, public housing in nature. For instance, located across the street from Town Square Park and Performing Arts Center is Covenant House, the home for runaway teens.

The trend has been towards locating a higher proportion of institutional and quasi-institutional uses Downtown (Anchorage Consolidated Plan, 2005). Though these uses meet the necessary needs of a deserving and underprivileged segment of the Downtown community, the lack of integration of these institutional uses, or concentration in one area, may be serving as a disincentive to other land use development patterns for a more vibrant, economically viable Downtown.

3.3 ON-GOING PROJECTS AFFECTING DOWNTOWN

3.3.1 Overview

A number of catalytic development projects are underway in Downtown. Those with the most significant impact on Downtown's position as the heart of Alaska's cultural and civic resources are: The Museum of History and Art Expansion, the Civic and Convention Center and the E Street Corridor redevelopment. Each project is individually described in the following sections, though the following planning considerations apply to each of them.

3.3.2 Key Planning Issues/Considerations/Opportunities

- The potential of such significant public investments must be maximized. These major Downtown projects cannot simply operate as islands within the Downtown environment. Connections between them must be developed prior to construction to ensure retail opportunities and amenities are located in immediate proximity to take advantage of the potential market and increase streetscape activity.
- Ensure building façades and streetscape treatment of all on-going projects are inviting, transparent and pedestrian friendly. Because they will be constructed before the adoption of the Comprehensive Plan's design guidelines and regulations, special attention must be paid to create a pedestrian-friendly environment.
- Given the size of some of the proposed developments, it is especially important that the circulation, drop-off and parking requirements of all projects be coordinated in a comprehensive Downtown transportation plan.
- Coordinate sidewalk improvements with E Street Corridor planning.
- It is important the on-going projects' designs encourage connections with surrounding development, rather than block off potential visual or physical connections to them.
- Coordination and timing of projects is critical for maintaining Downtown's circulation routes and phasing construction impacts.

3.3.3 E Street Downtown Corridor Enhancement

In June 2000 the need for a strong north-south connection through Downtown was recognized. In addition to being a direct link between Ship Creek and Delaney Park Strip, E Street was identified as an opportune pedestrian corridor because it already has a number of public amenities located on it, including the Saturday Market, Peratrovich Park, and Town Square. The enhancements will include amenities to make it a walkable, winter-friendly and unique environment. Public artwork and streetscape elements reflecting Alaskan native

culture and Alaskan history will be combined with wider sidewalks, traffic calming infrastructure and building façade improvements to create a vibrant Downtown connection. The following planning issues must be considered:

- **Traffic and Circulation.** There must be clarity on the functional role of E Street within the larger context of Downtown and the city. Traffic should be kept on E Street (no part should become pedestrian only). Traffic should be calmed with bulbouts, prominent crosswalks, etc. No decisions should be made about one way vs. two way (for its whole length or any segment) until the forthcoming Downtown transportation and circulation analysis is complete. On-street parking should be included to act as a further traffic calming measure buffering pedestrians from passing cars, and to serve retail along E and adjacent streets.
- **Wayfinding and Signage.** Each intersection should provide opportunities for wayfinding, signage and streetscape elements to signify strong cross connections along the east-west streets and foster easy east-west pedestrian activity
- **Streetscape Design.** Design of streetscape elements (paving materials, pedestrian furniture, lighting, art, banners, etc.) should be derived from elements of history and culture in Downtown, to build on and contribute to a unique sense of place.
- **Catalytic Sites.** Town Square should open up and connect to E Street in a strong way, with textures and elements and the absence of walls or high berms between the two. The site opposite the Town Square between 5th and 6th should have mixed-use development to activate the square and corridor, and any design should respond to that important catalytic site development opportunity.
- **Building Design.** Façade improvements on existing buildings will be necessary so businesses have a direct relationship with E Street traffic and pedestrians. New buildings will have to adhere to design guidelines that reinforce the human-scale.
- **Shadow Analysis.** A shadow analysis of Downtown blocks may be needed to determine the solar exposure along the street, especially during winter months. Regulations should be developed from this shadow study to ensure that public areas maintain direct sunlight for a certain percentage of the day.
- **Sub-Zones.** Three identifiable sub-zones along the corridor's length should be taken into account and articulated (and considered with respect to potential phasing requirements):
 1. Railroad to 3rd Ave. (connection to RR, views, topography change)
 2. 3rd to 7th (retail and civic core)
 3. 7th to 9th (mixed-use housing area with gateway at south end)

3.3.4 Civic and Convention Center

Design development negotiations are underway for the proposed Civic and Convention Center. The most recent understanding of the project is described as follows, however, these assumptions are likely to change given the ongoing discussions with the Municipality.

Located one block south of the PAC, the new Center is scheduled for opening in Summer 2008 and is comprised of an approximately 190,000 sf building, and associated pedestrian improvements around the buildings and along F Street connecting the Center to the PAC / Egan Center.

The new Center will work in conjunction with the Existing Egan Center and will provide significantly more capacity for Civic and Convention events that the Egan currently provides. The addition of this new building creates a reorientation of a cultural district in Downtown Anchorage that must be considered. In effect, it will provide a south boundary to a cultural district, and a cultural link through the SoNo district between the new Center and the Museum.

Although it is estimated that the combination of nearby existing and new structured parking, and adjacent surface parking provides an adequate accommodation for the increased event attendance this facility will generate, the following planning issues must be considered:

- **Wayfinding.** The new Center must be easy to find by out-of-town event attendees walking from their hotels day or night. Event attendees must be able to easily find and access desirable amenities such as restaurants, shopping and cultural activities and facilities.
- **Co-Development.** This facility is likely to be a significant activity generator and will attract compatible co-development. Planning of the neighborhood should facilitate creation of the appropriate streetscape and connections. The new Civic and Convention Center has potential for co-development of retail. This could shift concentration of retail uses from 4th and 5th Avenues south toward the Park Strip.
- **Pedestrian Environment.** The streetscape improvements associated with the Center must be coordinated with other Downtown improvements, such as the E Street Corridor. Improvements to F Street should complement those planned for E Street. In addition, the Center's significant need for an accessible loading/unloading zone must be designed to accommodate pedestrian flow. The sidewalk materials and treatment of docks should be selected with the streetscape environment in mind.

3.3.5 Museum Expansion

Anchorage's Museum of History and Art expansion has been underway since June 2004, with a private donation of \$50 million, \$75 million in federal and state grants and other donations, and a private capital campaign. An additional 70,000 sf of exhibit and archival space and an adjacent public plaza are expected to be completed in 2009. Currently, close to 90 percent of the Museum's collections is in storage, unavailable to the public due to space constraints. Specifically, the new structure will provide much needed space to display 2,000 Native Alaska artifacts that have been returned to Alaska as part of the Smithsonian's Arctic Studies Center.

The goal of the expansion design is to strengthen the Museum's relationship with the urban environment. The structure's facade will consist primarily of glass to optimize openness and transparency to passers-by. The 2-acre plaza will be designed as an urban forest and will serve as outdoor exhibit space. The design should incorporate following planning considerations:

- **Pedestrian Circulation.** Though the Museum has said that the urban forest design is intended to accommodate pedestrian flows from north and south, the hierarchy expressed in the northwest axis must not downplay the connections to the southwest, in order to encourage foot traffic from the new Civic and Convention Center. In addition, Sidewalk conditions/widths and traffic circulation will need to be coordinated with rest of Downtown (especially along the couplets). The width of C Street's east sidewalk in particular, is not conducive to pedestrian activity.
- **Vehicular Circulation.** The loading ingress and egress off of 6th Avenue (just east of the transit stop) will need to be coordinated if conversion of 6th Avenue from one-way traffic to two-way traffic is ever considered.
- **Adjacent Development.** Potential development sites are adjacent to the plaza (north and west). The expansion design should encourage connections with surrounding development and build visual or physical connections to them. The type and nature of the buffer is important. For example pedestrian buffers from fast-moving traffic should be incorporated along these major thoroughfares, yet they should still allow for connections to adjacent development.
- **Transit Service.** The design and coordination of a transit stop on 6th Avenue in front of the plaza and the vacant site north of 6th Avenue should be coordinated with the expansion to offer physical and visual connections to this stop.

3.3.6 Alaska Railroad's Ship Creek District

The Alaska Railroad Corporation (ARRC) is one of Anchorage's largest landowners; their proposal for redevelopment of existing ship yards represents the largest amount of private investment in the Downtown area. The property includes land adjacent to Ship Creek (to the north and south) and stretches from the wharf to east of Cordova Street. The site holds historic value; Alaska's first non-native inhabitants settled here in 1915 and established Tent City along Ship Creek. Over the past several years, ARRC has worked to rezone the industrial area in order to create a mixed-use, pedestrian- and transportation-friendly district directly connected to Downtown. In August 2005, hired LDN to prepare design guidelines for future development to ensure that the area's eclectic history is celebrated in the district's urban design and architecture.

ARRC has completed a progressive development master plan. Through the implementation strategies in the ARRC's Ship Creek Development Master Plan, several public agencies including the State of Alaska, Corps of Engineers, and the Municipality have coordinated with the ARRC on several pedestrian and visitor oriented facilities. New public amenities such as a plaza, sidewalks, and trails and way stations along Ship Creek have helped leverage private investment and improvements such as a low-rise hotel on the banks of the creek. The E Street Corridor design study has the potential to connect the ARRC's property on the south side of Ship Creek with the Downtown area.

ARRC's Plans include the following:

- **Intermodal Transit Station.** This station would link directly to the existing railroad depot and would become the central hub for bus and rail transportation. The station would extend over the tracks to provide a strong pedestrian connection to the Eisenhower Memorial at the end of E Street and the Downtown as a whole.
- **Mixed-use Development.** Given its proximity to Downtown and public transit, the expanse of underutilized shipyards provides a great opportunity for vibrant, walkable mixed-use development oriented around the waterfront. The mix could include office, retail and residential. Lots directly adjacent to the depot will be ideal for office and residential development. Along First Street, the mixed-use environment could include live-work lofts, art studios and retail. Recent hotel and commercial development along Ship Creek should be augmented with additional restaurants, hotels and retail amenities. All development should celebrate the natural resources of Ship Creek, as well as its industrial history. The unique history of the district will be instrumental in creating a distinct mixed-use neighborhood.
- **Waterfront Connections.** Ship Creek's value as a green corridor and natural resource will be enhanced with a walkway/promenade that allows residents to experience the waterfront directly. The Ship Creek trail will be linked to the Coastal Trail on the western edge of the site. There is also possibility of a future ferry connection at the wharf.
- **Historic and Cultural Amenities.** New development will reflect the site's history of settlement and industrialization through architectural and urban design, as well as interpretive sites and public art.
- **Seismic Considerations.** As the site slopes uphill serious consideration of seismic constraints must be made to determine what type of development is feasible.

4 URBAN DESIGN ANALYSIS

4.1 OVERVIEW

Downtown Anchorage has served as an urban design laboratory for many years. Through careful examination of existing conditions it is possible to make solid conclusions about what is or is not working in the Downtown. This includes both the physical impacts of existing zoning and the function of our constructed environment. In this chapter we examine the existing conditions of Downtown's urban design as a foundation for the developing aspects of the Downtown Plan. Downtowns are complex organisms. The mix of traffic, pedestrians, architecture streetscape and open space all combine to produce a unique identity.

Unlike many communities, Downtown Anchorage is thriving. It is the urban center not just of Anchorage, but of Alaska. In gathering this information we have identified a number of constraints to future development, but perhaps more important are the opportunities for a future Downtown that will better serve residents and visitors alike.

4.2 KEY PLANNING ISSUES, CONSIDERATIONS AND OPPORTUNITIES

- **Downtown Housing.** New housing in Downtown Anchorage will require an urban design aesthetic that makes people want to live Downtown. New residential development should be designed to take advantage of the views, accommodate semi-private outdoor space (in the form of roof-top gardens and shared courtyards) and provide amenities in close proximity. Parking for residents will need to be incorporated underground or in structured garages wrapped with mixed-use space.
- **Building Heights.** Building heights in the Downtown Core are currently constrained by zoning requirements and the flight approach to Merrill Field.
- **Pedestrian Space.** A significant number of the sidewalks in the Downtown core are of substandard width to support pedestrian needs and comfort. This constraint is largely governed by the availability of public right-of-way and the allocation of that right of way between vehicular circulation and sidewalks.
- **Winter Maintenance/Access.** Winter maintenance and winter pedestrian access are key considerations for how Downtown streetscapes develop. Currently, the Downtown Partnership maintains responsibility for removing snow and for maintenance in some areas while other businesses are responsible for the areas in front of their shops. A variety of different types of equipment and materials are used. This results in uneven levels of maintenance. The use of heavy equipment, such as bobcats or four-wheelers, to remove snow has broken tree grates, damaged paving and dented or marred site furnishings. The heavy use of salt has corroded walkways, killed street trees and rusted the bases of pedestrian lighting. A very good example of how winter maintenance can be incorporated into development can be found at the Hotel Captain Cook. On the Fifth Avenue side, waste heat is exhausted at the sidewalk level, keeping walkways mostly snow and ice -free. Methods of maintenance must be a consideration in the selection of materials for our Downtown streetscapes.
- **Connectivity.** Make the most of new Downtown development by providing walkable, safe, easily accessed connections throughout Downtown and to adjacent districts. These connections should be made year-round and provide access for pedestrians and bicyclists.

4.3 PEDESTRIAN ENVIRONMENT

4.3.1 Sidewalk Conditions

There are a variety of sidewalk conditions in Downtown Anchorage. To begin with, we conducted an inventory of the physical width of existing walkways. Sidewalk widths were identified as less than eight feet,

eight to twelve feet, and greater than twelve feet. A second inventory was conducted to determine areas of high, medium and low pedestrian interest. Diagram 4.1: Pedestrian Activity and Diagram 4.2: Pedestrian Value demonstrate where pedestrian activity is high and where improvements are needed. While this is a somewhat subjective determination the criteria we used are as follows:

HIGH PEDESTRIAN INTEREST	Active retail Storefronts with display windows and access to shops
	Green Space/Parks
	Public Facilities that are open to the public and transparent to activity inside
MEDIUM PEDESTRIAN INTEREST	Office buildings that provide some visibility into the buildings or have public plazas on the exterior.
	Retail shops that provide some level of window display, but no access to shops.
LOW PEDESTRIAN INTEREST	Blank Facades of Buildings
	Parking Garages with no ground floor retail or office
	Surface Parking Lots

The purpose of identifying high, medium and low pedestrian interest areas is to determine if existing sidewalk widths in the Downtown meet the needs and Anchorage pedestrians. A number of urban design studies have identified three distinct zones in urban sidewalks (See Diagram 4.2: Pedestrian Value). First, there is the storefront zone immediately adjacent to the building and extending out two or three feet. This is the area in which window shopping occurs and where pedestrians are frequently prone to stopping. The second zone is the travel zone. This can be four to six feet in width and should at a minimum accommodate two people abreast. The third zone is considered the curb zone. Most street infrastructure occurs in this area. It is the location of traffic cabinets, street trees (where they exist), parking meters, newspaper dispensers, signage and lighting. It is also an area for loading and unloading passengers. Sidewalks do not necessarily have all three zones. Sidewalks adjacent to a blank façade have no storefront zone and offer no reason for pedestrians to stop. In other areas, where there is no on-street parking and minimal infrastructure, the curb zone can be very narrow.

A large percentage of the sidewalks in the Downtown Core are less than eight feet in width. Widths less than eight feet preclude the inclusion of any pedestrian amenities, such as street trees, pedestrian scale lighting, or benches. Where traffic signal equipment or other infrastructure, such as parking meters, are included in the narrow sidewalks, pedestrians are forced to walk single file. To the extent possible, all walks in the Downtown should be a minimum of ten feet in width. In those areas identified with high pedestrian interest walkways should be wider (12-16 feet) to accommodate greater numbers of pedestrians and greater “friction” that occurs as pedestrians stop to window shop. Fourth Avenue is a case where pedestrian needs are well

met. Fifth, Sixth and Seventh Avenues would benefit from wider sidewalks. Most side streets would benefit from wider walkways, particularly those with high pedestrian interest. It is less critical for those areas identified with medium or low pedestrian interest.

4.3.2 Skybridges

There are relatively few sky bridges in Downtown Anchorage (See Diagram 4.2). They currently link the Fifth Avenue Mall with Nordstrom and adjacent parking garages. Another sky bridge links the Egan Convention Center with the Performing Arts Center. The latter is not commonly used as a pedestrian route, except during events.

Many cold and hot climate cities have turned to skywalks as a means of ensuring pedestrian comfort and safety in the Downtown. The issue of sky bridges is complex; any additional sky bridges in Downtown Anchorage should be carefully considered prior to approval. On the one hand, they can offer safe and comfortable pedestrian routes throughout a Downtown. On the other, they can result in the removal of pedestrians from the street and lose activity that pedestrians bring. They also create more shadows on the streetscape environment. For most of the year outdoor temperatures in Anchorage are comfortable. However, other impacts on pedestrian comfort levels, such as safety from traffic volumes makes skybridges attractive. For example, the existing sky bridge between the Fifth Avenue Mall and the parking garage on the opposite side of C Street offers a safe means of crossing an intimidating arterial. This may be an important consideration accepting or rejecting the use of sky bridges.

4.3.3 Public Amenities

Public amenities may include attractive street furnishings, street trees, lighting and public art (See Diagram 4.2). In Downtown Anchorage there are a wide variety of public amenities. One problem is that new amenities have often been added without consideration to other amenities in the Downtown. The Downtown would clearly benefit from a unified approach.

The condition of many public amenities in the Downtown is marginal. Due to existing snow clearing techniques and the pervasive use of salt, many furnishings are dented, damaged, and rusted. Alternative methods of snow clearing and maintenance should be considered along with materials that are less damage prone. Street trees in particular are highly subject to damage from use of salt.

4.4 BUILDING HEIGHTS

4.4.1 Solar Access

Solar access in the Downtown has often been identified as a very important consideration. It is also very difficult to address through any codes. At noon during the summer solstice, the shadow of the tallest Downtown building (22 stories) extends about a half block to the north (See Diagram 4.3: Shadow Study: Summer). At noon during the winter solstice the same shadow extends four blocks to the north, as the sun is only 9 degrees above the horizon (See Diagram 4.4: Shadow Study: Winter). Even a two-story building extends a shadow fully across the street at noon during the months of December and January. The north-south streets will all get some sun during the winter as the sun transits from east to west, however the Avenues will spend virtually the entire day in shadow. Two of the tallest buildings in the Downtown are situated toward the south side and they already cast long shadows over much of the Downtown. Due to the low sun angle, it is simply not practical to attempt to protect solar access during the winter months.

Solar access is probably more important during the spring and summer. During this time the sun angle is rapidly climbing and building heights become less important. The most important area to maintain sun exposure is Downtown's public spaces. Future development will affect the sun exposure on sidewalks and parks. Regulations should be mindful of this. Town Square Park is currently protected by city-owned air rights to the properties located immediately to the south.

4.4.2 Flight Path Restrictions

The primary physical restriction to building heights in the Downtown core is governed by the flight approach to Merrill Field. The flight approach path rises at a slope of 1-foot vertical to 20-foot horizontal from the west end of the runway at the airport (See Diagram 4.5: Flight Path Diagram). Three buildings currently extend into the flight surface a short distance and are identified as obstructions on the airspace plan. These include the Sheraton Hotel, the Atwood Building, and the Conoco Phillips Building. Maximum building heights on the east side of the Core Area are limited to approximately 150 feet and at the west end, maximum possible building heights rise to 350 feet. Current zoning in the Downtown, however limits building heights to much less. The Conoco Phillips building, which is 22 stories in height represents the highest possible development in the Downtown Core. It should be noted that most existing development is only one or two stories in height. This is a significant opportunity because as the Downtown re-develops and increases in density, the nature of development can be shaped to better serve the community.

4.4.3 Wind Impacts

All new medium- to high-rise development should consider wind impacts at the street level during design development in order to ensure a comfortable pedestrian environment. A wind study should be conducted for each development. In addition, the study should also focus on semi-public outdoor spaces in the form of courtyards or roof decks to ensure usability.

4.4.4 Viewsheds

Viewsheds at the ground level within the Downtown core are limited. There are slot views from the east-west oriented Avenues to the Chugach Range in the East and to the Alaska Range in the west. Outstanding viewsheds are available outside of the Downtown core at the bluff overlooking Ship Creek (Third Avenue) and on L Street overlooking Bootleggers Cove and Cook Inlet. Both of these views are somewhat protected because of the earthquake hazard identified with the slopes.

4.5 HISTORIC BUILDINGS AND LANDMARKS

Seventeen sites have been identified to hold historic significance in the Downtown Study Area. Thirteen of them are noted on Diagram 4.6: Historic Sites Diagram. They are described as follows:

- **H1. Holy Family Cathedral.** The original structure was transported from the town of Knik by horse and sleigh in the early 1920s. The population of Anchorage grew to warrant construction of a larger building in the early 1930s. Because of WWII, the present building was not completed until 1952. A plaque by the entrance commemorates the 1981 visit by Pope John Paul II who held Mass for 50,000 people on the Park Strip.
- **H2. 4th Avenue Theatre.** First opened in 1947 with the Anchorage premier of "The Jolson Story." Originally built by Austin E. "Cap" Lathrop, Alaskan entrepreneur, this Art Deco-style landmark survived the 1964 Good Friday Earthquake and was completely refurbished in 1992, returning it to its former glory. Inside are shops and the theatre's original floor-to-ceiling bronze murals that show Alaska's commercial progress, plus twinkling lights form the Big Dipper in the auditorium ceiling.
- **H3. Old Federal Building.** Alaska Public Lands Information Center is the complete information source for Alaska's federal and state public lands. The building, completed in 1939, once housed the post office, federal agencies and the Federal District Courtroom and is now part of the National Register of Historic Places. When the Statehood Act was passed by the US Senate the summer of 1958, a huge 49-star flag covered the entire front of the building.
- **H4. ACVB Log Cabin Visitor Information Center.** This year-round center is open daily and operated by ACVB staff and volunteers. It features brochures, maps and information about the community and its many attractions. In front of the rustic, sod-roofed cabin is a milepost demonstrating Anchorage's

location as "Air Crossroads of the World". Outside the door is a 5,144-lb./2,333 kg jade boulder (jade is mined around the Arctic Circle in Alaska and is Alaska's state gem) donated by Ivan and Oro Stewart. Across F Street on Woolworth's is a four-panel mural, 5 feet high, 56 feet wide, panorama of Alaska scenes from Portage Glacier through the Anchorage area to Mount McKinley. The mural was commissioned in 1990 to celebrate the 75th anniversary of Anchorage's start as a tent city. Beneath the mural is the first verse of the Alaska Flag song, the state's official song. Southeast of the cabin is an abstract sculpture dedicated to William Seward, who, as secretary of state, negotiated Alaska's purchase from Russia. Behind the cabin is the steel and granite "Spirit Bridge" which contains the eternal flame and waterfall erected in honor of civic leader Robert Hartig.

- **H5. Old City Hall.** Opened in 1936, this two-story building served as the town's first seat of government. Private businesses now occupy the building.
- **H6. The Anchorage Hotel.** Established in 1916, the hotel was home to Alaska painter Sydney Laurence. An addition was constructed in 1936 which survived the 1964 earthquake. Building was completely renovated in 1989.
- **H7. Kimball Building.** Most representative of Anchorage's early commercial buildings in the town site, this building was one of the few multiple-story buildings in Anchorage when it was completed in 1915.
- **H8. Oscar Anderson House/Elderberry Park.** Anchorage's first wood frame house, built in 1915. Oscar Anderson was the 18th person to set foot in Anchorage's tent city and continued to live in Anchorage until his death in 1969. The house was completely restored over a four-year period between 1978 and 1982 and is currently the only house museum in Anchorage.
- **H9. Resolution Park/Captain Cook Monument.** Commemorates the 200th anniversary of Captain James Cook's exploration of the area on his third and final voyage.
- **H10. Alaska Railroad Depot.** The Alaska Railroad Corporation's (ARRC) depot was completed in 1942 during the administration of Franklin Delano Roosevelt.⁶ In 1952, the depot was expanded to accommodate demand for additional office space. The depot still serves as the ARRC's busiest passenger facility and is used to host public events such as Fur Rendezvous and charitable fundraisers.
- **H11. Wendler Building.** Listed on the National Register of Historic Places, this structure was built by A.J. Wendler in 1915.⁷ The building was originally located at the corner of Fourth Avenue and I Street, but was moved to its present location in 1984. The annual Iditarod Trail Race begins in front of this building.
- **H12. Historic Anchorage Homes.**
 - **610 W. 2nd Ave.** Originally constructed for Alaska Engineering Commission (AEC) chairman William C. Edes in 1917, it was referred to as "Cottage 22" during the development of the railroad.
 - **605 W. 2nd Ave.** Built and designed by Leopold David, the first elected mayor of Anchorage. Today the house is tri-colored in the original color scheme.
 - **542 W. 2nd Ave.** Originally owned by Andrew Christensen, the auctioneer for the General Land Offices, who auctioned off parcels of land that became the original townsite of Anchorage.
 - **618 Christensen Dr.** Known as "Cottage 23," this home was first occupied in 1917 by Walter DeLong, AEC general storekeeper.

⁶ Source: Alaska Railroad Corporation's Website: <http://www.akrr.com/arrc281.html>

⁷ Source: The Downtown Anchorage Walking Tour Website:
<http://www.acsyellowpages.com/anchorage/tour/points/pnt017.html>

- **H13. Anchorage Cemetery.** The original town site's graveyard, this cemetery is the burial place of several notable Alaskans, including artist Sydney Laurence (his grave is marked with an artist's palette). Some graves bear Russian Orthodox crosses; the traditional Eskimo upright whalebones mark others.
- **H14. Delaney Park.** Originally a firebreak for the town site, it served as the area's first airfield, and later, the first golf course. Locally known as the "Park Strip," Delaney Park runs east/west from A to P Streets, north and south between 9th and 10 Avenues. The Park is named for James Delaney, Anchorage's mayor from 1929 to 1931. Today it contains ball fields, basketball and volleyball courts, a skating rink, tennis courts, one of Alaska's last steam engines, and a Veteran's Memorial with a giant American flag on top of a spruce pole.

5 TRANSPORTATION AND CIRCULATION ANALYSIS

5.1 OVERVIEW

One aspect of the Anchorage Downtown Comprehensive Plan is to develop a plan for a transportation system that enhances the Downtown area as a place to live, work, shop, conduct business, recreate, and to support tourism. The study focus is on a long-term vision for Downtown, but with an emphasis on near-term recommendations and improvements.

The study area is centered on Downtown Anchorage with special attention focused on the Core Area. Roadway ownership is primarily either ADOT&PF or the Municipality of Anchorage. The Downtown street network and roadway ownership are illustrated in Diagram 5.1: Road Ownership. This shared ownership creates a clear need for close coordination in operating and maintaining existing facilities and collaboration in planning and providing for facility and service expansions.

5.2 KEY PLANNING ISSUES, CONSIDERATIONS AND OPPORTUNITIES

A significant list of issues was developed during initial meetings of the project. Those with direct and indirect influence on transportation are listed below, by general category:

Circulation

- Narrow sidewalks in some heavily traveled areas.
- Pedestrian barriers resulting from major, high-speed couplets (A/C & 5th/6th).
- Lack of good pedestrian wayfinding for low-light conditions.
- Circulation constraints due to physical barriers and piecemeal improvements.
- Signal timing that promotes high, progressed speeds.
- Confusion due to mix of one-way and two-way streets.
- Impacts of an interrupted grid street network.
- Undefined truck routes.
- Cut-through traffic within the central business district and residential areas.

Connectivity/Accessibility

- Lack of quality connection to Ship Creek from Downtown.
- Lack of local access to airport rail connection.
- Topographic barrier to connecting with Alaska Railroad Corporation and the expanding railroad intermodal center.
- Need to better connect Downtown destinations (hotels, PAC, Egan, Mall, Delany, trails, Ship Creek, etc.).
- Impacts of accommodating tour buses and trolleys (special staging areas).
- Need to better integrate the transit center, bus system, and parking for Downtown accessibility.

Development

- Impacts of surface parking lots on development opportunities and off-street parking systems.

- Circulation, access, and parking impacts of new garages, convention center, and the museum expansion.
- Convention center siting issues (vendor access, loss of on-street parking, circulation changes, loading dock location, pedestrian wayfinding from hotels/Egan/PAC, passenger drop-off, parking garage location & access).

Other

- Need to provide parade, race, and festival routes and staging areas to preserve Downtown role in promoting community identity.
- Impacts of potential Knik Arm bridge and connections to A/C and/or Ingra/Gambell on Downtown.
- Impacts of the proposed Freeway-to-Freeway connection on Downtown.
- Impact of ownership obligations on the form and function of the street system (i.e. the National Highway System (NHS) requirements prevent certain retail signing and Muni policies for progressed speeds of key corridors impacts pedestrian environment).
- The potential connection to the Knik Arm via a new bridge crossing may have impacts on the Downtown area, depending on the connections created from the bridge to the major transportation network in and around Downtown. The needs for Downtown access and circulation should be considered, as this new bridge crossing connection is planned and evaluated.
- Street maintenance requirements (winter city), design criteria, and streetscape upkeep.

This list of issues will grow and be refined as the project unfolds. The Downtown Comprehensive Plan is expected to directly address many of these issues at a policy level. Other issues will be referred to appropriate agencies and planning processes to ensure they are appropriately dealt with.

5.3 EXISTING STREET NETWORK

The existing Downtown street network is a grid system and is shown in Diagram 5.2: Existing Road Network. There is a mixture of one-way streets and two-way streets in the study area, with the major through routes being one-way streets and localized access streets being two-way streets. The one-way streets are typically paired as “couplets”, meaning a one-way street is paired with an adjacent one-way street running the opposite direction. Examples of one-way couplets in the Downtown area include 3rd Avenue/4th Avenue, 5th Avenue/6th Avenue, A Street/C Street, E Street/G Street, and I Street/K Street.

The roadway functional classification system defines a road’s role in the overall context of the highway transportation system. In addition, it helps to define which standards are generally desirable for roadway width, right of way needs, access spacing, pedestrian and bicycle facilities, and other specifications. The following hierarchy generally establishes the functional classification system:

- **Arterials** represent the highest class of highways and roads. These roadways are intended to serve higher volumes of traffic, particularly through-traffic, at higher speeds. They also serve truck movements and should emphasize traffic movement over access to adjacent property. Arterial roadways are further designated as Freeways, Expressways, Major Arterials and Minor Arterials.
- **Collectors** represent the intermediate class. As the name suggests, these roadways collect traffic from the local street system and link travel to the arterial roadway system. These roadways provide a balance between through-traffic movement and property access and provide extended continuity to facilitate traffic circulation within an urban community or rural area. Within the designated urban area, a single Residential Collector classification is used.
- **Local Roads and Streets** are the lowest classification. Their primary purpose is to carry locally generated traffic at relatively low speeds to the collector street system and to provide more frequent

access to individual businesses and residential property. Local streets provide connectivity through neighborhoods, but generally should be designed to discourage cut-through vehicular traffic.

In addition to the above roadway classifications, a limited number of Major Arterials are further identified as *National Highway System (NHS) routes*. Within the Anchorage Downtown area, 5th Avenue, 6th Avenue, I Street and L Street south of 5th Avenue, and A and C Streets are classified as NHS facilities. This federally mandated designation has an associated set of design standards that must be maintained, as well as providing access to federal funds for maintenance and expansion.

5.4 TRAFFIC PATTERNS AND STREET CAPACITY

Through reviews of previous transportation studies and preliminary field observations, a number of transportation improvement concepts have been identified to address the issues raised to date (see Diagram 5.3: Possible Roadway Improvements). They include:

- Modifying the timing of signals on the major couplets to improve pedestrian appeal (i.e. reducing vehicle progression speeds).
- Modifying the timing of signals on the major couplets to improve pedestrian appeal.
- Identifying, designating, and improving key pedestrian and bicycle corridors to enhance access, circulation, and safety.
- Refining and enhancing the pedestrian wayfinding, particularly during low-light conditions.
- Simplifying the grid network of streets to reduce confusion and out-of-direction travel.
- Developing a street network plan that assures a functioning Downtown grid and guides development in terms of circulation and localized access.
- Minimizing the adverse impact of interrupted streets due to super-blocks.
- Planning and locating the new transit center and further integrating transit services and operations within Downtown and to other major activity centers throughout the region.
- Preserving and enhancing circulation and access as new development and redevelopment occurs.
- Minimizing the need for through traffic, particularly trucks, to traverse the Downtown.
- Identifying and designating a set of truck routes (see Diagram 5.4: Existing Truck Routes) outside the Downtown core that meet the need for local and regional freight goods movement.
- Identifying, funding, and implementing intersection improvements that maintain the circulation and access capacity of Downtown.

5.5 PARKING

There is a perception of inadequate parking Downtown. A demand and feasibility study done for the Anchorage Parking Authority found that there would be sufficient on-street and off-street (parking garages and surface lots) until 2008 and recommended a process for planning and pre-development of parking garages in 2005. Federal landowners are interested in cooperating with Municipality regarding shared parking facilities, etc. Downtown Anchorage's existing parking lots and structures are identified in Diagram 5.5: Existing Parking Diagram.

The Anchorage Community Development Authority and Anchorage Parking have a limited number of properties Downtown in their inventory. This is a constraint for public-private development Downtown, especially in the proposed construction of mixed use parking garages Downtown. One parcel in the

Development Authority's inventory identified for a new mixed use parking structure is located in an area of significant seismic risk.

5.6 PUBLIC TRANSIT

People Mover operates the public transportation service for the Municipality, currently has fifteen regularly scheduled routes serving the greater Anchorage area, and provides service to and from Eagle River. Diagram 5.6: Existing People Mover Bus Routes shows a map of the existing bus routes into the Downtown area and the Transit Center, located along the south side of 6th Street between G and H Streets.

The Ship Creek Shuttle provides free transit service between the Downtown and Ship Creek areas. The shuttle is funded through a private-public partnership and is operated by the Paratransit Services. Service is provided Monday through Friday, 8:00 a.m. to 5:00 p.m. for summer service, and mornings (7:30 to 9:00 a.m.) and early evenings (4:00 to 5:30 p.m.) during the winter.

The lack of a Downtown loop bus and generally inadequate public transportation means that winter visitors are restricted to a much narrower band of retail establishments, primarily those within a few blocks of their hotel or primary destination. Enhancements/revisions of the Downtown bus route system should be considered that extend the pedestrian reach from key generators (such as hotels and parking garages), particularly during winter conditions.

Transit improvement concepts developed to date include:

- Expanding the functional capacity of the existing transit center.
- Reducing the impacts of tour bus and trolley staging areas on circulation and parking.
- Modifying current transit routes to provide improved Downtown service or provide a circulator service within the Downtown area.
- Integrating transit services and amenities into Downtown development and redevelopment projects.

5.7 PEDESTRIAN AND BICYCLE SYSTEM

Pedestrian and bicycle facilities serve a very important role in providing people throughout an urban community meaningful travel options. Walking is the most basic form of transportation that connects people to local destinations; it improves health and supports opportunities for community interaction. In a similar fashion, bicycles are the most energy efficient form of transportation. Improving the use of both bicycle and pedestrian facilities has the benefit of reducing traffic congestion, air and noise pollution, and wear and tear on roads.

Pedestrian and bicycle facilities include sidewalks, separated pathways, bike lanes, and roadway shoulders. These facilities provide accessibility throughout the Downtown area, links to local activity centers and surrounding residential neighborhoods, and connectivity throughout the Anchorage area. Diagram 5.7: Existing Pedestrian and Bicycle Trails shows the existing pedestrian/bicycle trails system.

Winter weather impacts to pedestrian amenities present a special planning challenge in Anchorage. Pedestrian connectivity within the Downtown Core is not up to the harshness of Anchorage winters. During the summer, what is a 20-minute stroll from the Museum to Simon & Seafort's Restaurant west of the Captain Cook Hotel can easily become a half hour or longer battle with chilling winds and icy sidewalks in the winter. Many times the conditions are so bad that people either must take a car across town or just not go. Currently it is up to private businesses to effectively clear their sidewalks. For example, the Downtown Partnership has instituted a service of clearing snow off almost 25 miles of sidewalks in the 103 square block area that they oversee. While that helps a great deal for pedestrian mobility, the area does not extend from the Museum to Simon & Seafort's.

There are two elements related to pedestrians and bicycles in the Downtown area that will be reviewed as part of this study. The first element is *accessibility*, which is a measure of how easily pedestrians and bicycles can access destinations within the Downtown. The second element is *pedestrian environment*, also referred to as the “streetscape.” In general, pedestrian access is primarily provided by sidewalks along Downtown streets and supplemented by a few bike/pedestrian pathways.

Through reviews of previous transportation studies and preliminary field observations, a number of pedestrian/bicycle circulation issues have been identified and are illustrated in Diagram 5.8: Possible Pedestrian/Bicycle Improvements. They include:

- Removing barriers to pedestrian circulation and access.
- Improving the safety of pedestrian and bicycle facilities at high crash locations.
- Enhancing key pedestrian corridors serving major Downtown destinations, especially during winter months.
- Creating a continuous bicycle route between Ship Creek and Chester Creek.

5.8 CONCLUSION

The transportation system serving Downtown Anchorage is challenged to serve all modes of travel for access and circulation, while also supporting through-traffic and freight movements. The grid network is relatively strong, with few interruptions; however, the mix of one-way and two-way streets sometimes creates confusion and out-of-direction travel. Differing management policies of the various facility owners affects the quality of the traveling experience in Downtown, particularly for pedestrians on NHS facilities with high, posted speeds. Wayfinding for pedestrians is confounded by low-light conditions associated with being a winter city. Transit service is not evenly distributed throughout the Downtown. Staging for tour buses and trolleys continues to be perceived as a negative impact to circulation and on-street parking.

6 SEISMIC ANALYSIS

6.1 OVERVIEW

Downtown Anchorage is located in an active seismic zone and is susceptible to both deep and shallow source seismic events. Since the late 1960's, after the destructive 1964 Great Alaska Earthquake, a great deal of attention has been focused on the seismicity of Anchorage. Since 1992, 40 surface stations and two downhole arrays have been installed in the Anchorage Strong Motion Network. These stations continuously monitor ground accelerations in the Anchorage area and have recorded 110 earthquakes to date with magnitudes between 3.0 and 6.3. The peak ground acceleration recorded was approximately 0.12g. These events have been from a variety of sources, both deep and shallow. As such, considering the new Strong Motion Network data and the active seismic history of Anchorage, development of new structures and facilities should incorporate designs that address the effects of ground shaking.

In order to anticipate the type of seismic activity that a development site will experience in the future, it is essential to consider the sources of seismic hazards in that area, the seismic history, and the soil conditions. These conditions are described in Section 6.3.

The Municipality of Anchorage has developed a map that represents probable ground failure susceptibility for the Anchorage Bowl. Diagram 6.1: Seismic Hazard Diagram illustrates how the Downtown is subdivided into five susceptibility zones, Zone 1 (low susceptibility) through Zone 5 (high susceptibility). The area enveloped by this project contains classifications ranging from Zone 2 through Zone 5 with the highest susceptibility focused on the Ship Creek bluffs to the north.

The current building code that has been adopted by the Municipality of Anchorage is the International Building Code (IBC) 2000. Local amendments require that in-depth, site specific, geotechnical analyses be conducted in ground failure susceptibility Zones 4 and 5 for all structures and for all Class III structures in Zones 1 through 3. These analyses are to include static and dynamic slope stability analyses as well as liquefaction analyses by a qualified, experienced, geotechnical engineer using approved (by the Municipality) methods. In addition local amendments to the code limit the peak ground accelerations to 0.2g in ground failure susceptibility Zones 4 and 5, and 0.3g in Zones 1 through 3. These accelerations are consistent with an event that has a 5 percent chance of exceedence in 50 years (consistent with the older Uniform Building Code criteria) which is less conservative than the IBC 2000 code of a 2 percent chance of exceedence in 50 years.

6.2 KEY PLANNING ISSUES/CONSIDERATIONS/OPPORTUNITIES

- Downtown Anchorage is located in a seismically active zone and design of new facilities/buildings should include seismic analyses to mitigate risk of severe damage or endangerment.
- Though susceptible to both shallow and deep-seated shaking, the critical design condition has historically been considered to be comparable to the 1964 Great Alaska Earthquake.
- The critical seismic design criteria should be considered a long duration, low frequency shaking event that typically leave greater impact on taller structures (greater than five stories) than shorter buildings. However, shorter duration, higher frequency shaking should also be considered (though a less critical factor for tall structures) in design.
- Local amendments to the IBC 2000 require in depth, site specific slope stability and liquefaction analyses for new buildings in ground failure susceptibility zones 4 and 5.
- It should be noted that designing a structure for the “design” earthquake event does not mean the structure will be “earthquake proof.” Seismic design allows for a design that mitigates (or reduces to a manageable level) the estimated, probable damage to a structure given the design earthquake.

6.3 ANCHORAGE SEISMICITY

Southern Alaska (including the Anchorage area) is a seismically active region as characterized by earthquakes, volcanism, and mountain building. The seismicity of the region is generally controlled by the relative motion of the Pacific and North American lithospheric plates. In this region, the relative motion of the plates is toward each other with the Pacific plate underthrusting beneath the North American plate, forming what is known as the Aleutian Megathrust. This underthrusting forms a subduction zone capable of generating great earthquakes, as experienced during the 1964 Great Alaska Earthquake. In addition to earthquakes originating from the subduction zone, shallow crustal earthquakes originating from the Knik Fault, the Castle Mountain Fault, or another active fault zones can also occur.

As stated above, the Aleutians Megathrust is a relatively large seismic zone created by the underthrusting of the Pacific and North American lithospheric plates. The interface of these two plates extends from near Yakutat, through Prince William Sound, and along the Aleutian Islands. The fault feature dips at a relatively shallow angle to the north and underlies the Anchorage area at a depth of roughly 20 to 30 miles below the ground surface. Deep seated, thrust fault features such as this have the ability to produce high magnitude earthquakes like the 1964 Magnitude 9.2 event experienced by Anchorage. These types of earthquakes typically have large scale rupture zones and have the ability to create relatively long duration and low frequency shaking at moderate to high ground accelerations. Though no local seismographs were available to record the event, the 1964 earthquake produced peak horizontal ground accelerations estimated from 0.20g to 0.25g and had a duration of 4 to 6 minutes according to eye-witness accounts.

The Knik and Castle Mountain Faults have been classified as shallow crustal features, the surface expressions of which are roughly 6 miles east and 25 miles west of Downtown Anchorage, respectively. Both of these faults are steeply dipping and produce shallow crustal shaking. Earthquakes produced from these faults are generally low magnitude and typically range in magnitude from 3.5 to 4.0. Several earthquakes with magnitudes between 6.0 and 7.0 have been recorded on the Castle Mountain Fault. Though strong motions have not been recorded for these faults, it is thought that due to their lengths, the Castle Mountain and Knik Faults can produce earthquakes of magnitudes up to 7.5 and 7.0, respectively. Historical records show that these features produce shaking characteristic of shallow crustal fault features (i.e. moderate to high ground accelerations with relatively short durations and high frequencies).

In addition to the seismic setting and history, soil conditions and topography at a site play a significant role in estimating the way earthquakes impact a site. Much of the Downtown area consists of relatively flat topography from 9th Avenue north with a bluff extending down from approximately L Street west and 4th Avenue north to the Cook Inlet and Ship Creek Basin, respectively. At higher elevations in the Downtown Core Area, soils typically consist of granular outwash deposits ranging from 10 to 25 feet thick overlying the Bootlegger Cove Formation. The Bootlegger formation largely consists of silty clay that is relatively soft at shallow depths and increases in stiffness gradually with depth. It also has been shown to contain discrete layers of sensitive (to disturbance or shaking) clay layers and thin sand lenses. At lower elevations down the bluff, the granular surface soils thin to typical thicknesses of 5 to 10 feet and transition to a more active (or recent), alluvial deposit over the Bootlegger Cove Formation. Experience in the Anchorage area shows that groundwater in most of the Downtown area is relatively shallow (within the upper 15 feet below the ground surface) and perched on top of the less permeable clay formation. The Bootlegger Cove Formation clays have been shown to extend to depths of 200 feet below the ground surface or deeper in the project vicinity. Hence, their relatively soft nature and thick extent have been shown to cause significant damping of the velocities of shear waves propagating up from basal rock and soils.

Given these soil and topographical conditions, seismic hazards in the Downtown Anchorage area are primarily associated with strength loss of sensitive soils in shaking. It is believed that liquefaction susceptibility of granular outwash deposits and sand seams in the Bootlegger Cove Formation is relatively low as these sands tend to be relatively dense. Strength loss of sensitive soils typically results in vertical and horizontal ground displacements on steep terrain features (i.e. the bluffs bordering Downtown Anchorage to

the north and west). Much of the damage that was sustained in the 1964 earthquake in Anchorage was a direct result of the failure of these bluffs specifically in the First Avenue, L Street, and 4th Avenue Slides.

6.4 CARRYING CAPACITY OF OPPORTUNITY SITES WITHIN DOWNTOWN

In general, the static soil conditions in the Downtown Anchorage area are such that most structures (large and small) should be developable from a foundations standpoint. Outside of the ground failure susceptibility Zones 4 and 5, building foundations can be developed on either shallow soils or on deep soils with piles or cast-in-place concrete piers if larger capacities are needed. In Zones 4 and 5, some development may be limited in that, the site will need to be considered stable after the development has taken place. In some of these areas, this will require considering creative foundation designs (e.g. structural mat or raft foundations) as well as considering slope condition improvements across the site at large in the building design such as slope flattening, buttressing, or installing slope sub-drains. In short, the seismic and soil conditions of the Downtown area should not unilaterally prevent development as long as the above concerns are addressed in the design phase.

7 ECONOMIC ANALYSIS

7.1 OVERVIEW

Downtown is a center for civic and cultural activities, retail, and government employment. The Anchorage Museum, Performing Arts Center, Town Square, Egan Convention Center, visitors' center, Weekend Market, shop front retail, two major department stores and Fifth Avenue Mall, major hotels and restaurants are located Downtown. It is an employment center with a concentration of local, state, and federal offices and financial, legal, and architectural and engineering professional service offices. Downtown is a destination for visitors and conventioners, particularly in the summer. In the vicinity of Downtown- just north of the Downtown core- are the Alaska Railroad Corporation (ARRC) headquarters, rail yard, and Port of Anchorage; some of the city's busiest traffic corridors are in the vicinity of Downtown and through mid-town.

This section of the Existing Conditions Report for the Anchorage Downtown Comprehensive Plan provides an Economic Analysis for the Downtown study area. The Economic Analysis addresses:

- Key planning issues, challenges, and opportunities
- Socio-economic profile of the Downtown study area comparing it to the Anchorage Bowl, Municipality of Anchorage, and nearby military bases
- Market analysis of potential land uses, including:
 - Residential
 - Retail
 - Hotel
 - Office

One key planning issue, which presents both a challenge and opportunity, is the need for more housing and a larger resident population within the study area. With stable population and employment growth in Anchorage and public and private investment Downtown through a new convention center, museum expansion, parking facilities and transportation & pedestrian improvements, there are opportunities for higher density residential development and commercial and retail development, and infill and redevelopment of older areas. *Anchorage 2020*, the adopted policy framework for guiding growth and development within the Anchorage Bowl, maps out policies for land use and transportation, design and environment, and public facilities and services that encourage sustainable patterns of development, particularly in the Downtown area. The relationship between Downtown's economic viability to housing densities, amenities, and employment opportunities form the basis for mixed-use development to encourage walking, bus, and transit usage (MOA, 2001). The continued success of Downtown will positively impact Anchorage's long-term economic vitality and quality of life (*Anchorage 2020*, 2001).

Retail sector market opportunities exist with co-development with the new civic and convention center, building on the strength of Fifth Avenue Mall, and the Weekend Market. The Weekend Market presents both challenges and opportunities. The Weekend Market has an estimated 668,100 annual visitors, spending approximately \$12.1 million in the Weekend Market, plus an additional \$9.3 million in other Downtown establishments. Coordination, joint marketing, and physical linkages are needed so that the Weekend Market strengthens Downtown retail and creates new market niches.

The methodology utilized for the market analysis of potential land uses was based on a number of adopted plans, economic and demand and feasibility studies for Downtown facilities, secondary sources such as the Census, and primary sources such as stakeholder interviews. Sources include the following:

- *Anchorage 2020*
- Downtown Development Framework (2000)
- Anchorage Economic Development Corporation study History of Anchorage Economy (prepared by Northern Economics, 2004)
- Stakeholder interviews as part of the Anchorage Downtown Comprehensive Development Plan public participation process
- Secondary sources of information such as the U.S. Census bureau and Alaska Department of Labor and Workforce Development
- Interviews with the Municipality of Anchorage Tax assessor and staff responsible for residential, hotel, office, and retail property assessment
- Interviews with commercial and residential real estate developers
- Household projections utilized for Transportation Analysis Zones (TAZ) for the Municipality of Anchorage Long Range Transportation Plan (fall 2005, update 2006); household to population factors were based on U.S. Census Bureau
- Hotel Market Analysis prepared for Alaska Industrial Development and Export Authority (AIDEA, Jinneman, Kennedy any Mohn, P.S.; 2004)
- Interviews with Anchorage Convention and Visitors Bureau
- Findings from recent studies: Demand and Feasibility Study of New Parking Garages (prepared by NEI for Anchorage Parking Authority, 2004), Impacts of Sunday Market (prepared by NEI for Anchorage Parking Authority), and economic analysis for convention center bed tax initiative.

The following table summarizes demand projections for residential, office, hotel, and retail land uses for both baseline and high growth scenarios. These projections are based on the Municipality of Anchorage Long Range Transportation Plan modeling database.

**Table 1. Summary of Projected Demand for Development—Baseline Growth Scenario
Downtown Anchorage Strategic Plan**

Development Type	Existing Supply 2002	Demand in 2025	Net New Demand thru 2025	
			Units/Rooms/Sq. Ft.	% Growth
Residential Units (1)	489	1,510	1,021	209
For-Sale	303	936	633	209
For-Rent	186	574	388	209
Hotel Rooms (2)	3,407	4,407	1,000	29
Office/Institutional Sq. Ft. (3)	4,694,200	5,975,550	1,281,350	27
Warehouse / Industrial Sq. Ft. (4)	816,000	1,398,000	582,000	71
Retail Sq. Ft. (5)	587,650	654,850	67,200	11

- (1) Residential demand based on the Municipality of Anchorage Long Range Transportation Plan household growth forecasts for 2025, with current proportions of rental vs. for-sale units.
- (2) Hotel demand created by the expansion of Anchorage's convention center facilities.
- (3) Based on projected employment growth in finance, insurance, real estate, services, government, schools, universities, and healthcare, assuming 350 sq.ft. per employee
- (4) Based on projected employment growth in 1/2 of transportation, manufacturing, and wholesale, assumes 1000 sq. ft. per employee
- (5) Based on projected employment in retail, assuming 350 sq. ft. per employee

Sources: Economic & Planning Systems, Inc. extrapolated from Northern Economic data and information; Municipality of Anchorage Long Range Transportation Plan.

The following table summarizes demand projections for potential land uses based on a high growth scenario. In order for the Downtown study area to capture five percent of all new housing projected over 20 years for the Municipality, aggressive policies will be needed. These projections are achievable only with housing preference survey and aggressive policies including tax abatement, use of tax increment financing, architectural design review and control, construction loan programs, and low interest home loan programs specifically designed for the Downtown market area.

**Table 2. Summary of Projected Demand for Development—Higher Growth Scenario
Downtown Anchorage Strategic Plan**

Development Type	Existing Supply 2002	Demand in 2025	Net New Demand thru 2025	
			Units/Rooms/Sq. Ft.	% Growth
Residential Units (1)	489	6,268	5,779	1,182
For-Sale	303	3,886	3,583	1,182
For-Rent	186	2,382	2,196	1,182
Hotel Rooms (2)	3,407	4,407	1,000	29
Office/Institutional Sq. Ft. (3)	4,694,200	7,797,720	3,103,520	66
Warehouse / Industrial Sq. Ft. (4)	816,000	1,422,950	606,950	74
Retail Sq. Ft. (5)	587,650	880,110	292,460	50

- (1) Residential demand estimated by assuming a 5% capture of total growth in Anchorage.
- (2) Hotel demand created by the expansion of Anchorage's convention center facilities.
- (3) Based on projected employment growth for Anchorage in finance, insurance, real estate, services, government, schools, universities, and healthcare sectors, assuming 350 sq. ft. per employee and a capture rate of 20%
- (4) Based on projected employment growth for Anchorage in manufacturing, wholesale, and 1/2 of transportation sectors, assumes 1000 sq. ft. per employee and a capture rate of 10%
- (5) Based on projected employment growth for Anchorage in retail, assuming 350 sq. ft. per employee and a capture rate of 10%

Sources: Northern Economics; Municipality of Anchorage Long Range Transportation Plan; Economic & Planning Systems, Inc.

7.2 KEY PLANNING ISSUES, CONSIDERATIONS, AND OPPORTUNITIES

The key planning issues, considerations, and opportunities relate to the economic and demographic profile for Anchorage and Downtown study area and to the residential, office, hotel and retail markets. Making Downtown accessible and attractive for residents and tourists throughout the year will require progressive land use planning, design guidelines, development incentives, financial incentives, and long range marketing strategies. Creating a unique identity, or brand, for Downtown Anchorage will strengthen existing markets for residential, retail, commercial and hotel land uses and activities and catalyze new market niches.

The Anchorage market is strong. Forty four percent of the state's residents live in the Anchorage area. Anchorage is a statewide distribution center and regional hub. Over 80 percent of the municipality's residents live in the Anchorage Bowl. Downtown Anchorage is the heart of civic and public activity and shopping and employment. The industrial activities at the Alaska Railroad and Port of Anchorage north of the Downtown core are vital transportation and commerce links in the regional and state economy. The land use and infrastructure requirements of the port and railroad impact the traffic circulation patterns within the Downtown area.

Economic Indicators. One of the market challenges of the Downtown study area is that its present resident population differs considerably from the demographics of what could be characterized as the Downtown

area. There is a higher percentage of transitional and quasi-institutional housing in the Downtown study area than in other parts of town. As the socio-economic profile will detail in a later section, there is a higher proportion of low income residents within the Downtown study area than in the Anchorage Bowl. many of Anchorage's services for the city's homeless population are located in or near the Downtown study area. There is a need for both affordable and market rate housing in the Downtown study area.

Development Patterns that Compete with Downtown. The economic analysis will help provide some understanding why typical Downtown uses such as office, retail, and entertainment have previously been developed in areas such as mid-town and other parts of town, competing with Downtown. Progressive rezoning and cost effective design guidelines and developer incentives will be needed to attract retail, office and entertainment land uses and activities to the Downtown study area.

Parking. Results from the *Demand and Feasibility Study for New Garages* (APA, 2003) and community meetings with Downtown business and property owners, indicate there is a perception of inadequate parking Downtown. This feedback is particularly strong from the retail sector and commercial/office sector. The Anchorage Downtown Partnership who pro-actively works with the business and property owners in the Downtown Improvement District, will continue to work with the Anchorage Community Development Authority (a.k.a. Anchorage Parking Authority) to assess the management of on-street parking and to market the availability of parking Downtown.

According to a demand and feasibility study for new parking garages (Northern Economics, Inc. 2003), there is sufficient parking Downtown with on-street and off street facilities; however, by 2008 there will be the need for more supply. Just as the Municipality recognized the role of parking facilities in the 1980s in bolstering the Downtown commercial and retail sectors, the Anchorage Community Development Authority currently has an aggressive program for bringing more parking facilities on-line in the Downtown study area. Some of these parking projects will be in partnership with the private sector.

Government/Office. Although discussions with the Municipal tax assessor staff and review of Municipal tax assessment data over the last three years indicate relatively low demand for land for commercial development (compared to mid-town), the Downtown remains the headquarters for local, state, and federal government offices. In *Anchorage 2020's* implementation strategies for land use and transportation is a goal for commercial development in the Central Business District is that Municipal, state, and federal administrative offices be located in the CBD. This policy directive can strengthen the existing market for government office Downtown. The number of surface parking lots⁸ in the Downtown study area, however, indicate the need for incentives to encourage a different mix of development types, including ground floor retail, office, with residential space above. According to the tax assessor's office and discussions with commercial realtors, the development and construction costs for new commercial projects Downtown cannot be covered by market rate lease rates for commercial space.

Changing Demographics, Housing Supply, and New Market Niches. With aging baby boomers and higher proportion of young professionals Downtown, there are demographic changes that suggest increased market demand for residential development Downtown. In the MOA and the Anchorage Bowl, the age cohort of 55 years and over has experienced the fastest growth. This population group grew by 4.7 percent annually in the MOA and 4.5 percent annually in the Anchorage Bowl, between 1990 and 2000. The major reason for this increase is the continuing aging of the large "baby boom" generation. This trend will likely continue for some time into the future as this generation continues to age.

There is already heightened demand for housing in the neighborhoods to the south and west of the study area, reflected in the higher assessed valuations. With the trend for market-rate housing in the Downtown, area, there is the need to address the difficulty in assembling land within the Downtown study area to render a mixed use or condominium project feasible (Herrington, 2005)..

⁸ Northern Economics interview with Municipality of Anchorage tax assessor and commercial section, September 2005.

At present, the supply of market-rate and above market-rate residential development in the Downtown study area itself is relatively limited, but this appears to be changing. The replacement of a few older single family residences has occurred on the periphery of the study area and the parcels redeveloped into market-rate and above market-rate condominiums. According to the Municipal tax assessor (2005) relatively few older single family properties within the study area have been redeveloped, and instead have been converted to other uses such as professional offices. There is also land available for development northeast of C Street. This will change with development incentives such as construction loan programs directed to the Downtown area, leveraging programs and financing for affordable housing, and pricing of housing types that fit housing preferences and income levels.

Ship Creek Development. The northern portion of the Downtown study area encompasses the Alaska Railroad Corporation's headquarters office and property holdings south of Ship Creek itself in the Ship Creek redevelopment area. One of the market opportunities in the Downtown study area is to leverage the investment, planning and development by the Downtown's largest property owner- the Alaska Railroad Corporation (ARRC). The ARRC has significant real estate holdings north of the Downtown core and has adopted a development master plan- in cooperation with the Municipality- that recommends commercial, retail, residential, and pedestrian oriented uses south of Ship Creek itself. This will help revitalize this area and restore the City's relationship with the waterfront. The proposed E street Corridor transportation improvement project presents an opportunity to reconnect Downtown with Ship Creek and its waterfront. How the design of the E Street Corridor can strengthen existing retail along Downtown's main streets (Fourth and Fifth) remains a challenge.

An additional planning challenge is the proposed regional public works project- the Knik Arm Crossing. The draft Environmental Impact Statement for the proposed project points out potential impacts on Downtown neighborhoods, the Ship Creek area, and circulation through Downtown. There will be land use and transportation impacts, which affect the economic viability of uses and activities in the Downtown study area, depending where the land connection for the bridge is constructed.

Market Opportunities

Market opportunities in the Downtown study area include:

- Residential development of housing types (to own and rent) for aging baby boomers, young professionals, and government employees
- Both affordable and market rate housing development in northeast sector of Downtown study area
- Expansion of museum enhances desirability of residential and mixed use development east of "A" Street
- Year around activities in Town Square attract development interest in residential development
- Potential private sector acquisition of single family homes along 9th Avenue and redevelopment/construction of market rate and high end condos
- Utilizing the new Anchorage Community Development Authority to assist in land assembly, site control, funding and facilitating Downtown mixed use and residential development projects
- Build on the retail market strength of the Fifth Avenue Mall, which is the primary "high-end" retail center in the state, and attracts 6 million visitors per year.⁹
 - Simon Properties is planning an extensive exterior remodel, with façade improvements for 5th Avenue Mall (potential "condominiumizing" of mall expansion). There is potential for an atrium addition east of Town Square.
- Retail co-development in proximity of new civic and convention center

⁹ Personal interview with Gary Wells, manager of 5th Avenue Mall, Simon Properties, August 27,2005.

- Municipal Department of Health and Human Services Building and land at 8th & L St. will be vacant/available once the new municipal health facility is complete (outside of Downtown area)
- Prospective development on vacant lot adjacent to National Park Service Building could provide link between museum expansion and Fifth Avenue Mall
- Encourage redevelopment of existing properties through adoption of a Rehabilitation Building Code
- Build on the Anchorage Economic Development Corporation branding strategy and Anchorage Development Corporation Downtown marketing strategy to strengthen existing businesses and institutional framework Downtown.

7.3 ECONOMIC AND DEMOGRAPHIC OVERVIEW

This section provides a discussion of the state and local economy and a socio-economic profile of the Downtown study area, within the context of the Municipality of Anchorage (MOA), the Anchorage Bowl, and military bases north of Downtown. Anchorage is the largest city in the state. It is the Alaska's primary transportation, communications, trade, service and finance center. Just under half of the state's residents live in the Anchorage area. Anchorage is a statewide distribution center and regional hub. Over 80 percent of the residents of the Municipality live in the Anchorage Bowl. The Anchorage Bowl occupies approximately 100 square miles bounded by Chugach State Park, Turnagain and Knik Arms, and by the Elmendorf Air Force Base and Fort Richardson Army Post. Residents outside of the Anchorage Bowl either live on a military base, north of Anchorage in the Chugiak- Eagle River suburban development or south of Anchorage.

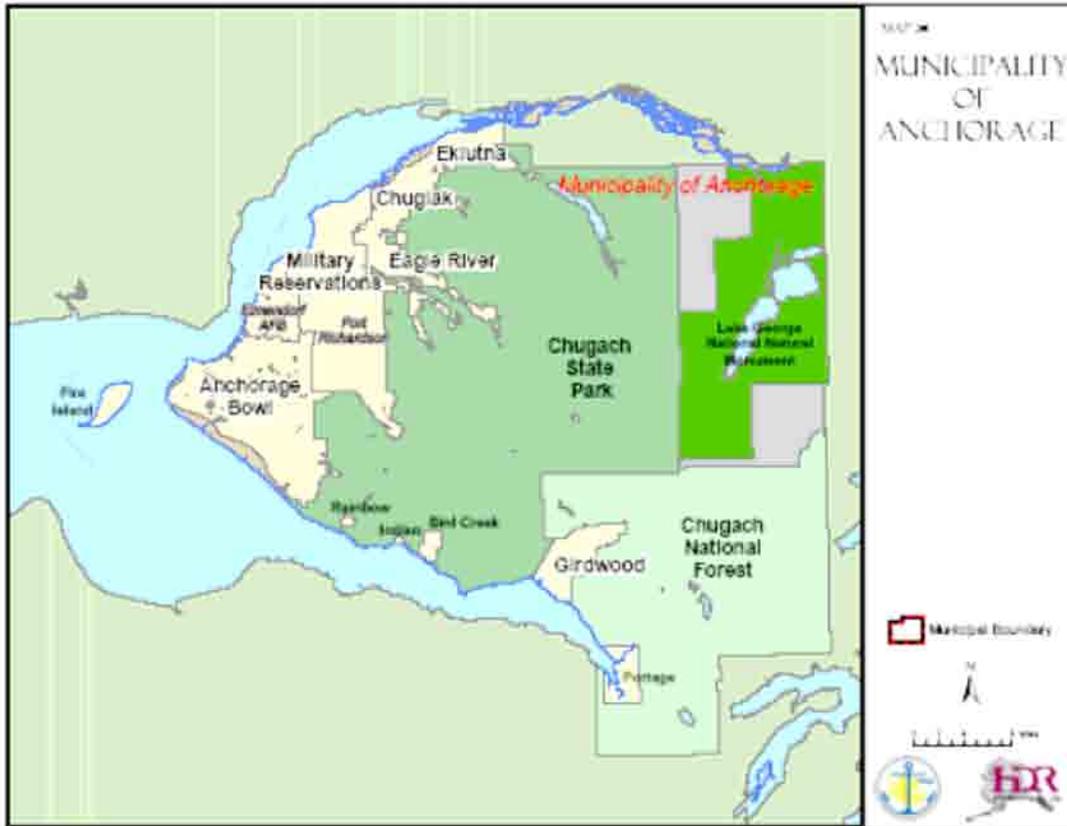
7.3.1 Location

Anchorage is situated between the head of the Cook Inlet to the north and west and Chugach Mountains and National Forest to the east. The Municipality of Anchorage consists of approximately 1,955 square miles. Only about 10 percent of the municipality is inhabited; 84 percent is protected state or federal park land.

Within the Municipality of Anchorage are three distinct communities: Anchorage, Girdwood, and Chugiak-Eagle River. Girdwood is an unincorporated rural community which encompasses ski resort located 40-mile drive south of Anchorage. Chugiak-Eagle River is a mix of urban and rural residential development to the north of the Anchorage Bowl. Most of Anchorage's population is concentrated in the Northeast and Northwest planning areas (*Anchorage 2020*, 2001), with most of the remaining developable land in south Anchorage.

The geographic boundaries of the Downtown study area represent a different area than what is referred to as the Downtown area or the Northeast and Northwest Planning areas designated in *Anchorage 2020*. Most of the residents who live "Downtown" generally live in the established neighborhoods south of the Park Strip from 10th Avenue south extending to Valley of the Moon Park, Fairview, and west in South Addition. For the purposes of the socio-economic profile in this section of the report, Census tract areas (Tract 11), Alaska Department of Labor/Workforce Development employment data by zip code (99501) and Transportation Analysis Zones (TAZs) from the Municipality of Anchorage Long Range Transportation Plan were matched as closely as possible to the study area boundaries. The TAZs contain some of the most current data on households and population. The highest density residential development and concentration of population are in the Northeast and Northwest Planning areas in neighborhoods such as Government Hill, Fairview, Mountain View, and south Addition, which are outside the study area.

Figure 1. Municipality of Anchorage Map



Source: Municipality of Anchorage, 2005.

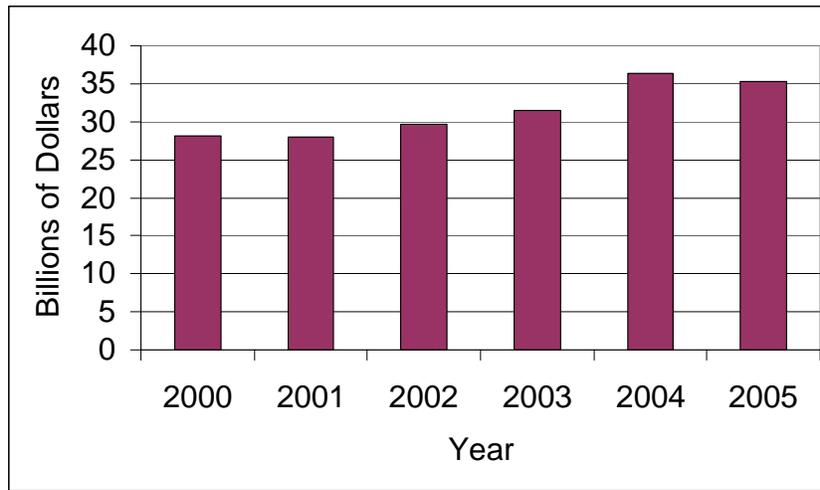
7.3.2 State and Regional Economy

This section is based on results of a statewide forecast presented by Northern Economics, Inc. at the World Trade Center Alaska statewide economic forecast January 2005. As the statewide distribution center and regional hub, Anchorage's economy is best understood through the state's basic economic sectors. This section presents estimates for two measures of statewide economic activity—gross state product and jobs—for eight sectors and the overall Alaska economy.

Gross State Product, or GSP, is the value of all goods and services produced in the state. It is the states' counterpart to the Gross Domestic Product (GDP) of countries like the U.S. GSP and employment are measures used to portray change in total economic activity.¹⁰ The World Trade Center Alaska forecast projected that in 2005 Alaska's GSP will be down approximately \$1 billion, or down about 2.8 percent from last year, mostly due to fluctuating crude oil prices. The \$35.3 billion in 2005 GSP is about \$4 billion more than the economy generated in 2003 (Figure 2).

¹⁰ World Trade Center Alaska Second Annual Statewide Economic Forecast, Patrick Burden, Northern Economics, Inc. January 13, 2005.

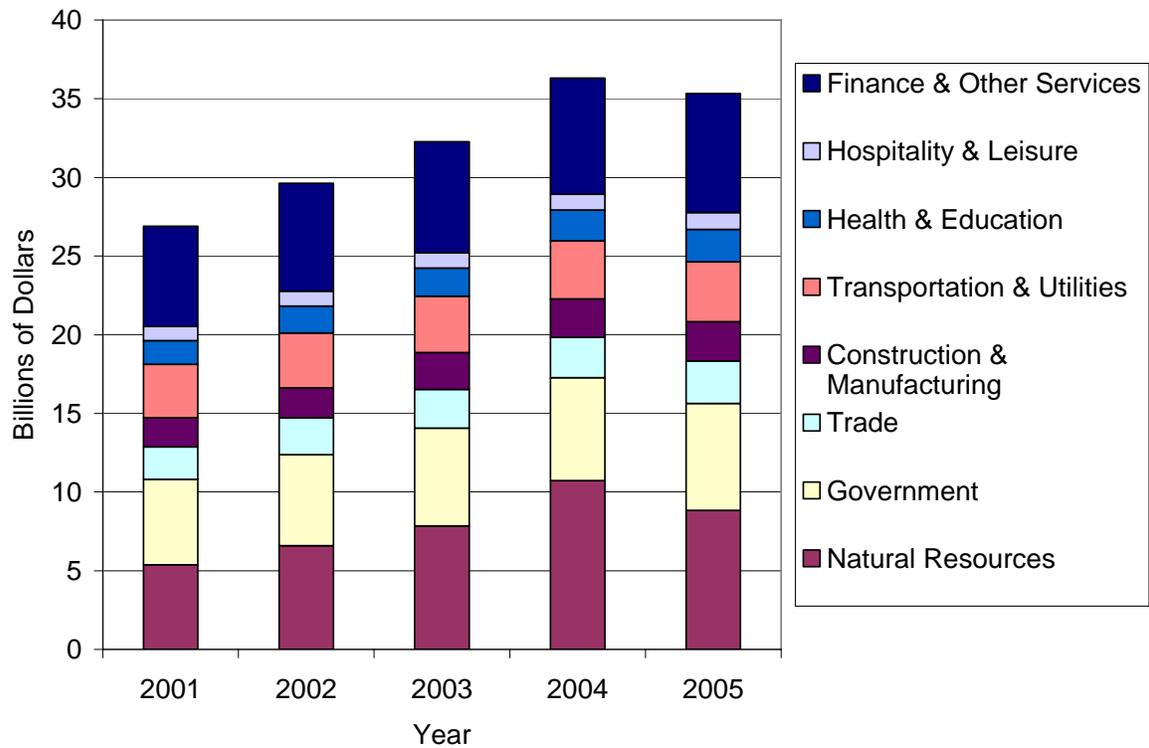
Figure 2. Alaska GSP in Current Dollars



Source: Northern Economics, Inc.

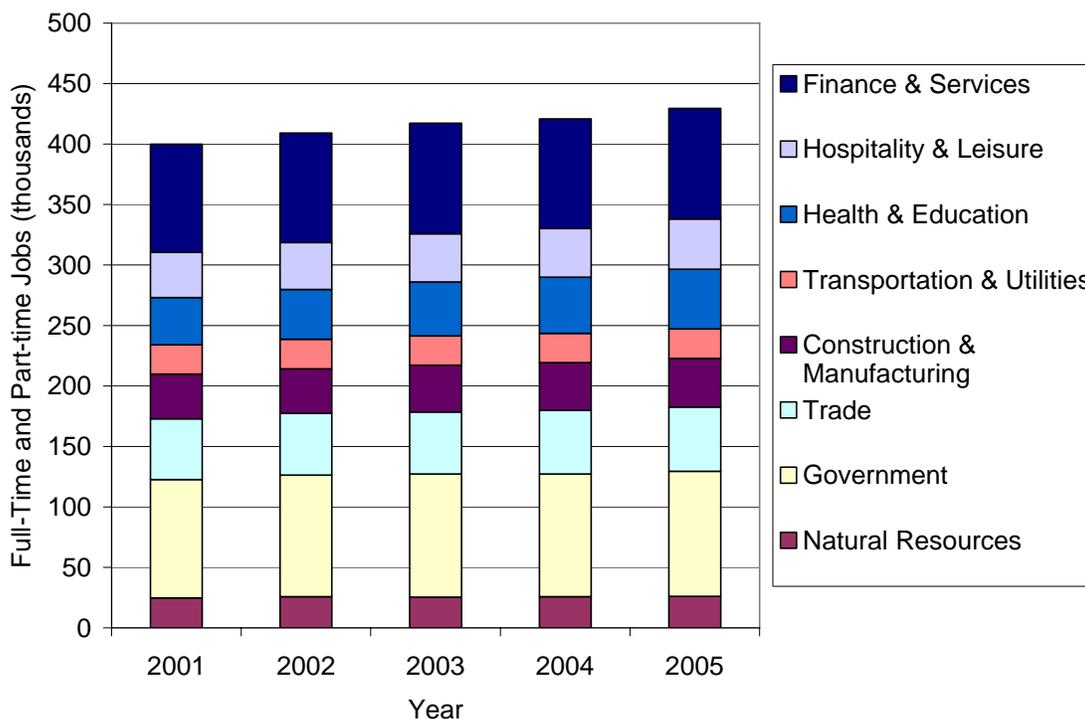
The basic economic sectors in the state are Natural Resources, Government, Trade, Construction and Manufacturing, transportation and utilities, health & education, hospitality and leisure, and finance and other services. The following graphs illustrate Gross State Product by sector and employment by sector.

Figure 3. Alaska GSP in Current Dollars, by Sector



Source: Northern Economics, Inc.

Figure 4. Alaska Employment, by Sector



Source: Northern Economics, Inc.

The number of jobs in the state has increased from about 400,000 to about 423,000 in 2004 and it is estimated that the number will be over 429,000 in 2005. The natural resources sector is the largest sector in GSP but one of the smallest sectors in terms of jobs. Government is the largest sector followed by Finance and Services. The natural resources sector has a smaller effect on total employment in the state (See Figure 4) compared to its effect on GSP.

7.3.3 Anchorage Economy

Anchorage has experienced three and one half decades of growth spurred by oil development and federally funded projects. The Anchorage economy is now undergoing a period of modest growth and economic diversification.¹¹ According to a report on the Anchorage Economy from 1980 to present (AEDC, 2004), the Anchorage economy reached a level of growth and diversity that made it more resilient to shifts in external market forces. There are four basic sectors that drive the local economy: oil and gas, the military, transportation, and convention/visitor industry. The healthcare, communications, and financial services industries, and retail services are important support industries.

Oil/Gas. Anchorage serves as the administrative center for the oil industry. The oil/gas sector provides approximately 3,300 jobs for the local economy, or about two percent of the local employment. These jobs, however, account for about eight percent of the wages and salaries earned locally each year.¹² At least two major oil companies have office buildings in the Downtown study area, while most are located in mid-town. It was Municipal investment in a parking facility at Seventh and G Streets in the 1980s that spurred the construction of the Arco (now Conoco Phillips) building Downtown.

¹¹ Anchorage Economic Development Corporation, *The Anchorage Economy from 1980 to Present*, (prepared by Northern Economics, Inc. for AEDC, 2004)

¹² http://www.aedcweb.com/content/subpages/economic_drivers, 2005.

Military. Anchorage is home to Elmendorf Air Force Base, Fort Richardson Army Post and Kulis Air National Guard base located at the Ted Stevens Anchorage International Airport. The military represent \$450 million in local payrolls and employ approximately 8,500 people. Family members of the service personnel provide labor for local businesses as well as consumer demand for local businesses. Many military members who have served in Alaska return upon retirement, infusing new skills into the economy.

Transportation. An international hub airport, port, and Alaska Railroad are components of Anchorage's transportation system that serve as transshipment and distribution centers for the region and state. Ted Stevens Anchorage International Airport (ANC), is one of the busiest cargo airports in North America with over 560 transcontinental cargo flights weekly. The Port of Anchorage is the distribution center of the state with over 90% of the consumer goods that arriving in Alaska through the Port. These are distributed throughout the state by truck, rail, and plane to the outlying areas.

A major transporter for the state, the Alaska Railroad handles both freight and passengers throughout the railbelt on approximately 530 miles of track. In the summer months, the Alaska Railroad also assists the visitor industry by transporting passengers to popular destinations such as Fairbanks or Denali National Park.

Convention/Tourism. Anchorage is a gateway to the state. Anchorage provides the infrastructure necessary to support the tourism industry statewide including hotels, restaurants, shopping, and entertainment. The convention industry brings visitors to Anchorage during the shoulder seasons (Spring and Fall), thereby extending the tourist season from the peak summer months. Many smaller trade shows and conventions come to Anchorage, providing a boost to the local economy. The new civic and convention center will enable Anchorage to attract larger trade shows and to host multiple smaller conventions simultaneously.

Within the Study Area for Anchorage Downtown Comprehensive Plan update (shown in Chapter 1, Diagram 1.2: Opportunities and Constraints), active revised platting and zoning regulations, tax policy, development incentives, and unique architectural and site design standards will be the catalysts for new market opportunities, particularly mixed use and residential development. Downtown Anchorage is also in a position to take advantage of trends and market opportunities activating central business districts in other parts of the U.S.

7.3.4 Socio-Economic Profile

There are socio-economic factors and market factors that are unique to Anchorage, which bring both challenges and opportunities. This section of the Economic Analysis provides a socio-economic profile of the Downtown study. The socio-economic profile encompasses census data on population, household characteristics, employment data on residents within the study area, employment information for employers within the study area, and income. The socio-economic profile provides the context for the market analysis of land use potentials presented later in the Economic Analysis.

Population and Household Characteristics

The Municipality of Anchorage grew to over 277,000 people in 2004, equivalent to over 44 percent of the State of Alaska's total population (Goldsmith, *et al.*, 2005). Over 80 percent of the Municipality's population resides in the Anchorage Bowl.

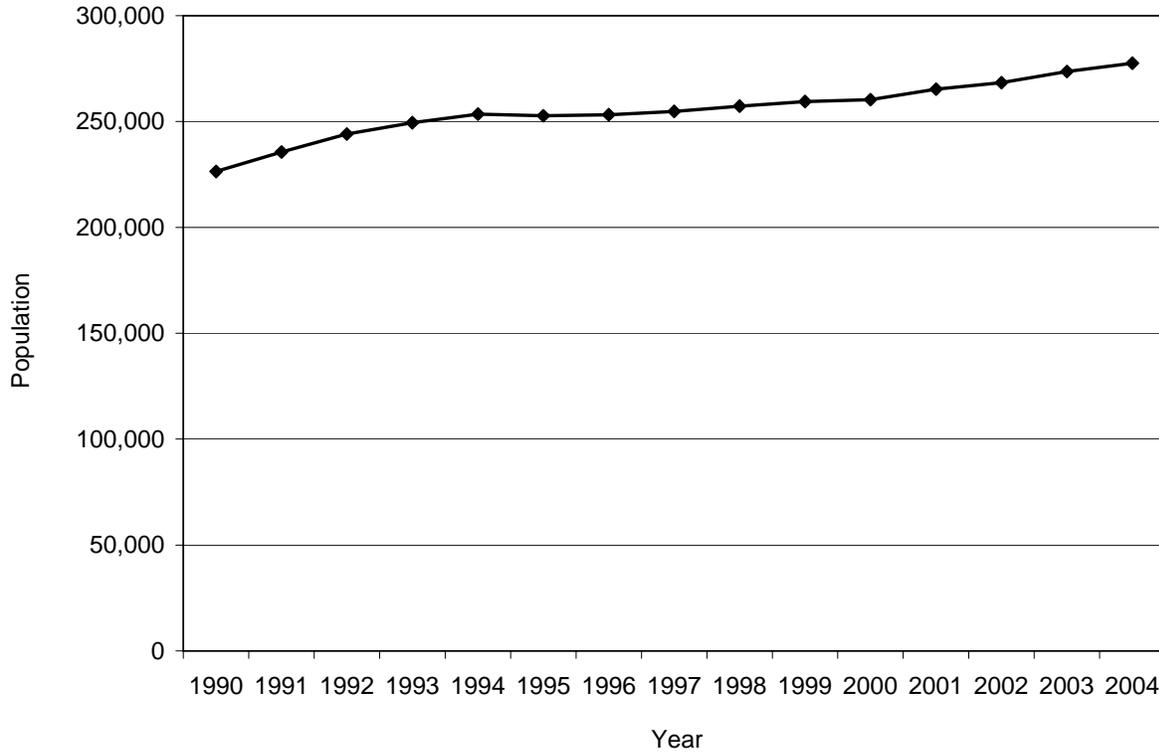
Anchorage reflects three population trends that will be powerful influences nationwide in the future (Goldsmith, *et al.*, 2005):

- Growing number of young, diverse minority residents
- Large number of affluent baby boomers near retirement
- Growing elderly population

These trends coupled with economic indicators provide information about future market potential for housing, services and facilities.

Between 1990 and 2004, the MOA's population grew by about 1.5 percent annually. Figure 5 is a graph of the population growth trend over this time period.

Figure 5. Population of MOA, 1990 through 2004



Source: U.S. Census Bureau 2005; Alaska Department of Labor and Workforce Development 2005.

Table 3 provides a comparison of populations and population growth rates for the MOA, military bases (Elmendorf and Fort Richardson combined), the Anchorage Bowl, and the Downtown study area. Between 1990 and 2000, the MOA grew by roughly 1.4 percent annually, while the Anchorage Bowl by 1.6 percent annually.

The information presented in Table 3 was gathered from the U.S. Census. The Downtown study area described in the following tables generated from U.S. Census data includes the area bounded by L Street to the west, Cordova St. to the east, 9th Street to the south, and 1st Avenue to the north. This geographic area encompassed by the census tracts differs slightly than the actual study area boundaries. See Table 1.

Between 1990 and 2000, the Anchorage Bowl grew by 1.6 percent annually, or added an additional 31,560 residents between 1990 and 2000. The Downtown study area resident population grew at a faster rate than the other geographical areas, increasing by 6.2 percent annually, adding an addition 648 residents between 1990 and 2000.

Table 3. Population Growth Trends (1990-2000)

Area	Population		Change from 1990 to 2000	
	1990	2000	Number	Annual Average
MOA	226,338	260,283	33,945	1.4%
Military Bases ¹	15,097	12,096	-3,001	-2.2%
Anchorage Bowl ²	184,551	216,111	31,560	1.6%
Downtown study area ³	788	1,436	648	6.2%

Source: US Census Bureau. Census 1990, Census 2000

Note: ¹Military bases includes census tracts 3 and 4

²Anchorage Bowl includes census tracts: 5, 5.99, 6, 7.01, 7.02, 7.03, 8.01, 8.02, 9.01, 9.02, 10, 11, 12, 13, 14, 15, 16.01, 16.02, 17.01, 17.31, 17.32, 18.01, 18.02, 19, 20, 21, 22.01, 22.02, 23.01, 23.02, 23.04, 24, 25.01, 25.02, 26.01, 26.02, 26.03, 27.02, 27.11, 27.12, 28.11, 28.12, 28.13, 28.21, 28.22, 28.23

³Downtown study area includes block groups 1 and 2 of census tract 11

Growth projections for the Municipality, Anchorage Bowl, and Downtown study area Study Area are from the University of Alaska's Institute of Social and Economic Research (ISER) and the 2025 Household and Employment Forecast and Allocation completed for the draft Municipality of Anchorage Long-Range Transportation Plan (Municipality of Anchorage Transportation Planning Division, 2004). ISER developed an econometric model that forecast population, household, and employment levels for the MOA. Based on the *Anchorage 2020* land use policies, the Municipal Transportation Planning Division developed a model to forecast the density and distribution of future population, household, and employment by industry sectors, to analyze the potential impacts transportation impacts, and plan for these impacts

Table 4 presents population growth projections for MOA, Anchorage Bowl, and the Downtown study area. The Downtown study area is expected to add around 2800 new residents, growing by 3.8 percent annually, while the Anchorage Bowl is projected to grow by 1.1 percent annually, and add an additional 66,000 residents. The MOA is projected to grow by 1.3 percent annually and add over 90,000 residents between 2002 and 2025.

Table 4. Population Growth Projections, 2002 to 2025

	2002	2025	Annual percent change
MOA	268,900	361,100	1.3
Anchorage Bowl	236,130	302,500	1.1
Downtown study area	1,894	4,673	3.8

Source: Municipality of Anchorage Transportation Planning Division, 2004, and Northern Economics, Inc., 2005.

Note: Downtown study area Study Area includes TAZ's: 30, 36, 37, 38, 39, 40, 43, 45, 46, 47, 48, 49, 53, 54, 55, 56, 58, 59, 68, 69, 71, 74, 75, 76, 78, 79, 80, 81, 86, 87, 88, 89, 90, 91, 92, 94, 95, 96, 97, 98, 99, 102, 103, 107, 109, 110, 111, 113, 114, 116, 118, 119, 120, and 121. In order to match the census tract areas that are being used to describe the Downtown study area, the following TAZ's have been added to the Study Area: 67, 84, 112, 131, 103, and 137.

Age

Age distribution provides further details about population composition, and gives an indication of whether the population of a community is generally young or old and growing or declining. Table 5 shows the age composition for the populations within the four geographical areas (MOA, military bases, Anchorage Bowl, and the Downtown study area).

In the MOA and the Anchorage Bowl, the age cohort of 55 years and over has experienced the fastest growth. This population group grew by 4.7 percent annually in the MOA and 4.5 percent annually in the Anchorage Bowl, between 1990 and 2000. The major reason for this increase is the continuing aging of the large “baby boom” generation. This trend will likely continue for some time into the future as this generation continues to age. The number of young adults (20 to 34 years old) residing in the MOA and the Anchorage Bowl declined between 1990 and 2000 (1.4 percent and 1.2 percent, respectively). This is likely due to the U.S. economy growing faster than the Anchorage economy in the late 1990s, and also because there aren’t as many people in this age group as there were in previous generations such as the baby-boom generation (Goldsmith, et al., 2005). Another factor that influences the number of young adults in the MOA is the draw from the Elmendorf Air Force Base and Fort Richardson Army Base, both located north of Downtown Anchorage.

In contrast to the other study areas, growth occurred for all population cohorts in the Downtown study area between 1990 and 2000. The age group that experienced the fastest growth was persons ages 35 through 54. This age group grew by 5.5 percent annually between 1990 and 2000.

The military base population decreased by around 3,000 people between 1990 and 2000. This was equivalent to an average annual decline of 2.2 percent. This trend will continue into the future, as a 2005 base realignment and closure plan indicated that Elmendorf Air Force Base will lose 1,500 military personnel, and Fort Richardson will also have personnel reductions over the next couple of years (Hunter, D. 2005).

Table 5. Population Trends by Age Cohort (1990-2000)

MOA						
Age Group	1990		2000		Change from 1990 to 2000	
	Persons	% Total	Persons	%Total	Persons	% Average Annual
19 and under	72,353	32.0	82,711	31.8	10,358	1.3
20 to 34	66,151	29.2	57,633	22.1	-8,518	-1.4
35 to 54	67,733	29.9	88,001	33.8	20,268	2.7
55 and over	20,101	8.9	31,938	12.3	11,837	4.7
Total	226,338		260,283		33,945	1.4

Military Bases						
Age Group	1990		2000		Change from 1990 to 2000	
	Persons	% Total	Persons	%Total	Persons	% Average Annual
19 and under	6,123	2.7	4,881	1.9	-1,242	-2.2
20 to 34	7,066	3.1	5,443	2.1	-1,623	-2.6
35 to 54	1,847	0.8	1,735	0.7	-112	-0.6
55 and over	61	0.0	37	0.0	-24	-4.9
Total	15,097		12,096		-3,001	-2.2

Anchorage Bowl						
Age Group	1990		2000		Change from 1990 to 2000	
	Persons	%Total	Persons	%Total	Persons	% Average Annual
19 and under	56,499	30.6	67,051	31.0	10,552	1.7
20 to 34	52,876	28.7	46,697	21.6	-6,179	-1.2
35 to 54	56,726	30.7	73,656	34.1	16,930	2.6
55 and over	18,450	10.0	28,707	13.3	10,257	4.5
Total	184,551		216,111		31,560	1.6

Downtown study area						
Age Group	1990		2000		Change from 1990 to 2000	
	Persons	%Total	Persons	%Total	Persons	% Annual Change
19 and under	69	8.8	107	7.5	38	2.9
20 to 34	268	34.0	434	30.2	166	2.0
35 to 54	245	31.1	631	43.9	386	5.5
55 and over	206	26.1	264	18.4	58	3.5
Total	788		1,436		648	3.7

Source: US Census Bureau. Census 1990, Census 2000

Race/Ethnicity

Anchorage is an increasingly culturally diverse city. The Anchorage School District has identified over 90 different languages and dialects spoken by its student population. As illustrated in Table 4. Population by Race and Ethnicity, racial and ethnic minorities are the fastest growing population groups in the Municipality of Anchorage. Racial/ethnic groups comprise about 28 percent of the Anchorage Bowl's population (Municipality of Anchorage, 2002). Alaska Natives and American Indians make up the largest minority, comprising over seven percent of the MOA's population. The number of Alaska Natives in the MOA continues to grow. According to ISER, minority populations tend to be concentrated in younger age groups, and are fast approaching the majority of children in Anchorage schools, up from 26 percent of school age

children in 1990 to 44 percent of school age children in 2004 (Goldsmith, et al., 2004). Six percent of residents in 2000 were African American and over six percent of residents were Asian American.

The Downtown study area has a higher percentage of minority residents than the larger geographical areas. In 2000, about 37 percent of the population residing in the Downtown study area was minorities. Almost 22 percent of the population was Alaska Native or American Indian, and about 10 percent of the population was African American.

Table 6. Population by Race and Ethnicity

MOA						
Race/Ethnic Group	1990		2000		Change from 1990 to 2000	
	Persons	% Total	Persons	% Total	Persons	% Average Annual
White	182,867	80.8	187,779	72.1	4,912	0.3
Black	14,411	6.4	15,201	5.8	790	0.5
Native Alaskan or American Indian	14,910	6.6	18,800	7.2	3,890	2.3
Asian (1)	10,764	4.8	16,293	6.3	5,529	4.2
Other Race (2)	3,386	1.5	22,210	8.5	18,824	20.7
Total	226,338		260,283		33,945	1.4
Hispanic (all races)	9,372	4.1	14,738	5.7	5,366	4.6
Military Bases						
Race/Ethnic Group	1990		2000		Change from 1990 to 2000	
	Persons	% Total	Persons	% Total	Persons	% Average Annual
White	11,283	74.7	8,949	59.3	-2,334	-2.3
Black	2,688	17.8	1,862	12.3	-826	-3.6
Native Alaskan or American Indian	192	1.3	94	0.6	-98	-6.9
Asian ¹	422	2.8	240	1.6	-182	-5.5
Other Race(s) ²	875	5.8	951	6.3	76	0.8
Total	15,097		12,096		-3,001	-2.2
Hispanic (all races)	1,094	7.2	946	6.3	-148	-1.4
Anchorage Bowl						
Race/Ethnic Group	1990		2000		Change from 1990 to 2000	
	Persons	% Total	Persons	% Total	Persons	% Average Annual
White	147,025	79.7	150,678	69.7	3,653	0.2
Black	11,223	6.1	12,797	5.9	1,574	1.3
Native Alaskan or American Indian	13,832	7.5	17,738	8.2	3,906	2.5
Asian ¹	9,833	5.3	15,410	7.1	5,577	4.6
Other Race ²	2,638	1.4	19,488	9.0	16,850	22.1
Total	184,551		216,111		31,560	1.6
Hispanic (all races)	7,405	4.0	12,857	5.9	5,452	5.7
Downtown study area						
Race/Ethnic Group	1990		2000		Change from 1990 to 2000	
	Persons	% Total	Persons	% Total	Persons	Average Annual
White	610	82.1	784	63.5	92	2.5
Black	12	1.6	122	9.9	184	26.1
Native Alaskan or American Indian	116	15.6	268	21.7	435	8.7
Asian ¹	5	.7	26	2.1	104	17.9
Other Race ²	0	0%	35	2.8	216	NA
Total	743		1,235		1,031	5.2
Hispanic (all races)	45	6.1	97	7.8	94	1.5

Source: US Census Bureau. Census 1990, Census 2000

Notes: ¹Asian Race category includes Asian and Native Hawaiian/ Pacific Islander categories

²Other Race category includes Other Race and Two or More Races. Race data are difficult to compare from Census to Census, because categories have changed over time. For example, the 2000 Census was the first to offer the category "Native Hawaiian or Other Pacific Islander". In previous years those people could have responded in a number of different ways, making data on race an ethnicity difficult from one census to another difficult to compare. The 2000 Census also marked the first time that respondents were allowed to select more than one racial category. On earlier Censuses, multiracial individuals were asked to choose a single racial category, or respond as "Some Other Race".

7.3.5 Household Units

The growth in the number of household units paralleled that of population growth. Table 7 shows the number of households and vacancies for the Municipality, military bases, Anchorage Bowl, and Downtown study area. Household units are described in terms of average annual change in the number of units, the vacancy rates per each geographical area, and the change between 1990 and 2000. Vacancy rates were higher in all areas in 1990 than in 2000. For example, in the MOA as a whole, the vacancy rate was over 12 percent in 1990, and by 2000 the vacancy rate had decreased to 5.5 percent. The Anchorage Downtown study area experienced a decrease in vacant units as well. The vacancy rate decreased from 6.3 percent, falling from 20 percent vacancy rate in 1990 to 10 percent in 2000.

Table 7. Households and Vacancy Rates (1990-2000)

MOA			
	1990	2000	% Average Annual Change
Total Housing Units	94,153	100,368	0.6
Number of Vacant Units	11,451	5,546	-7.0
Vacancy Rate	12.2%	5.5%	
Military Bases			
	1990	2000	% Average Annual Change
Total Housing Units	3,831	3,071	-2.2
Number of Vacant Units	390	199	-6.5
Vacancy Rate	10.2%	6.5%	
Anchorage Bowl			
	1990	2000	% Average Annual Change
Total Housing Units	80,187	85,538	0.6
Number of Vacant Units	9,707	4,450	-7.5
Vacancy Rate	12.1%	5.2%	
Downtown study area			
	1990	2000	% Average Annual Change
Total Housing Units	418	436	0.4
Number of Vacant Units	86	45	-6.3
Vacancy Rate	20.5%	10.3%	

Source: US Census Bureau. Census 1990, Census 2000

Vacancies

The Downtown study area has higher vacancy rates than other areas in the Municipality. See Tables 5 and 6. Over 57 percent of all vacant units in the Downtown study area are vacant because they are up for rent. Vacancies can be a disincentive to retail and commercial activity. Redevelopment of vacant properties has been seen to revitalize Downtown cores in other cities. More focused land use inventory and real estate research is needed of the Downtown area- particularly the area east of A Street and north of Fifth Avenue- to identify long standing vacant buildings and lots prime for redevelopment.

Table 8. Reason for Vacancy, 2000

	MOA	Military Bases	Anchorage Bowl	Downtown study area
Total Vacant Housing Units	5,546	199	4,450	45
For rent	38.5%	11.1%	43.6%	57.7%
For sale (only)	18.1%	6.5%	20.4%	0%
Rented or sold (not yet occupied)	9.9%	0.0%	10.8%	0%
For seasonal, recreational, or occasional use	23.0%	0.0%	18.0%	13.3%
For migrant workers	0.2%	0.0%	0.3%	0.0%
Other vacant	10.2%	82.4%	6.9%	28.9%

Source: US Census Bureau. Census 1990, Census 2000

Home Ownership

Although home ownership in the Downtown study area is lower than adjacent neighborhoods, the Anchorage Bowl and MOA, it has almost doubled from 1990 to 2000. Home ownership in the Downtown study area has increased from less than 19 percent in 1990 to almost 30 percent in 2000. The data on home ownership are related to the demographics of the present resident population in the Downtown study area.

The majority of housing units in the MOA and the Anchorage Bowl are owner occupied. Home ownership increased between 1990 and 2000; in 1990 around 53 percent of homes in the MOA and the Anchorage Bowl were owner occupied. By 2000 around 60 percent of housing units in both geographical areas were owner occupied.

Table 9. Tenure Statistics , 1990 and 2000

	MOA		Military Bases		Anchorage Bowl		Downtown study area	
	1990	2000	1990	2000	1990	2000	1990	2000
Occupied housing units	82,702	94,822	3,441	2,872	70,480	81,088	332	391
Percent owner occupied	52.8%	60.0%	0.3%	3.1%	53.0%	59.5%	17.7%	29.2%
Percent renter occupied	47.2%	40.0%	99.7%	96.9%	47.0%	40.5%	82.3%	70.8%

Source: US Census Bureau. 1990 Census of Population and Housing, Census 2000.

Household Size

Table 10 describes household size in 1990 and 2000, along with the changes in number of households by size that occurred between 1990 and 2000 for the four geographical areas of interest. In the MOA in 2000, the majority of households either included three to four persons (33 percent) or two persons (32 percent). Overall in the MOA, total households grew by 1.3 percent annually while one person, two person and five or more person households all grew by around 1.7 to 1.8 annually between 1990 and 2000. Similar to the larger MOA, in the Anchorage Bowl the majority of households are either three to four person households (33 percent), or two person households (32 percent). However in contrast to the MOA, the fastest growing household size in the Anchorage Bowl is the five-person household which grew by 2.9 percent annually, while one and two person households grew by 1.7 percent annually. Overall, the number of households in the Anchorage Bowl grew by 1.7 percent annually between 1990 and 2000.

The majority of people residing on the military bases in 2000 resided in group barracks (40.8 percent)¹³, followed by three to four person households (34 percent); households on military bases decreased by 2.2 percent annually between 1990 and 2000.

Table 10. Household Size, 1990 and 2000

MOA						
Persons	1990		2000		Change from 1990 to 2000	
	1990	% of Total	2000	% of Total	Housing Units	% Annual Average
1	18,788	22.6	22,201	23.4	3,413	1.7
2	25,274	30.4	30,091	31.7	4,817	1.8
3-4	29,907	36.0	31,746	33.5	1,839	0.6
5 or more	9,074	10.9	10,784	11.4	1,710	1.7
Total Units	83,043		94,822		11,779	1.3
Military Bases						
Persons	1990		2000		Change from 1990 to 2000	
	1990	% of Total	2000	% of Total	Housing Units	% Annual Average
1	124	2.0	125	2.6	1	0.1
2	535	8.8	533	11.0	-2	0.0
3-4	2,044	33.5	1,657	34.1	-387	-2.1
5 or more	762	12.5	557	11.5	-205	-3.1
Military Barracks ¹	2,628	43.1	1,982	40.8	-646	-2.8
Total	6,093		4,854		-1,239	-2.2
Anchorage Bowl						
Persons	1990		2000		Change from 1990 to 2000	
	1990	% of Total	2000	% of Total	Housing Units	% Annual Average
1	17,402	24.5	20,603	24.5	3,201	1.7
2	22,395	31.6	26,628	31.7	4,233	1.7
3-4	24,050	33.9	27,355	32.6	3,305	1.3
5 or more	7,066	10.0	9,374	11.2	2,308	2.9
Total	70,913		83,960		13,047	1.7
Downtown study area						
Persons	1990		2000		Change from 1990 to 2000	
	1990	% of Total	2000	% of Total	Housing Units	% Annual Average
1	292	74.1	274	70.1	-18	-0.60
2	84	21.3	102	26.1	18	2.00
3-4	6	1.5	15	3.8	9	9.60
5 or more	12	3.0	0	0	-12	-62.40
Total	394		391			-0.10

Source: US Census Bureau. Census 1990. Census 2000

Note: ¹Other study areas do not include group quarters.

¹³ Military barracks are described in terms of the number of people in barracks, not by barrack.

7.3.6 Labor Force and Employment

While the Downtown area is an employment center for residents throughout the Municipality, labor force participation of residents in the study area declined between 2000 and 1990. In 1990, about 56 percent of Downtown residents 16 years and older participated in the labor force; by 2000 labor force participation had fallen to 45 percent. In 2000, around 74 percent of persons 16 years and older that live in the greater MOA and/or the Anchorage Bowl were in the labor force, and almost 85 percent of persons 16 years and older on the military bases were in the labor force.

In contrast to the larger areas of the MOA and the Anchorage Bowl, the Downtown study area experienced an increase in its unemployment rate for residents between 1990 and 2000. The unemployment rate in the Downtown study area increased rapidly between 1990 and 2000, climbing from 11 percent in 1990 to 35 percent in 2000. In the MOA, the unemployment rate fell slightly from 7.0 percent in 1990 to 6.8 percent in 2000, while the unemployment rate in the Anchorage Bowl fell from 7.3 percent in 1990 to 7.0 percent in 2000.

Table 11. Labor Force and Employment

MOA						
	1990		2000		1990 to 2000	
	Persons	% of Total¹	Persons	% of Total¹	Change	% Average Annual
Total Population (16 years and older)	166,288		192,782		26,494	1.5
In labor force:	130,287	78.4	143,350	74.4	13,063	1.0
In Armed Forces	10,624	8.2	8,503	5.9	-2,121	-2.2
Civilian:	119,663	91.8	134,847	94.1	15,184	1.2
Unemployed	8,421	7.0	9,110	6.8	689	0.8
Military Bases						
	1990		2000		1990 to 2000	
	Persons	% of Total¹	Persons	% of Total¹	Change	% Average Annual
Total Population (16 years and older)	9,826		7,866		-1,960	-2.2
In labor force:	8,537	86.9	6,661	84.7	-1,876	-2.5
In Armed Forces	5,580	65.4	4,324	64.9	-1,256	-2.5
Civilian:	2,957	34.6	2,337	35.1	-620	-2.3
Unemployed	213	7.2	171	7.3	-42	-2.2
Anchorage Bowl						
	1990		2000		1990 to 2000	
	Persons	% of Total¹	Persons	% of Total¹	Change	% Average Annual
Total Population (16 years and older)	138,028		161,485		23,457	1.6
In labor force:	107,391	77.8	118,690	73.5	11,299	1.0
In Armed Forces	4,012	3.7	3,067	2.6	-945	-2.7
Civilian:	103,379	96.3	115,623	97.4	12,244	1.1
Unemployed	7,508	7.3	8,113	7.0	605	0.8
Downtown study area						
	1990		2000		1990 to 2000	
	Persons	% of Total¹	Persons	% of Total¹	Change	% Average Annual
Total Population (16 years and older)	761		1,354		593	5.9
In Labor Force:	428	56.2	614	45.3	186	3.7
In Armed Forces	0	0.0	17	2.8	17	NA
Civilian:	428	100.0	597	97.2	169	3.4
Unemployed	48	11.2	211	35.3	163	16.0

Source: US Census Bureau. Census 1990. Census 2000.

Notes: ¹Percent of column includes percentages of the appropriate population, not always the total population. The percentage of persons "In Labor Force" is divided by the "Total Population (16 years and older)". The percent of persons "In Armed Forces" and "Civilian" is divided by the number of persons "In labor force" and not the total population. The percentages of persons "Unemployed" are divided by the number of "Civilian" persons.

Employment Trends

Table 12 describes employment trends by industry for 1990 to 2000. In the MOA, the highest levels of employment growth were experienced in health services (5.9 percent annual growth), and services and miscellaneous professional services (4.9 percent annual growth). The Anchorage Bowl experienced high growth rates in health services (7.9 percent annual growth), services and miscellaneous professional services (9.5 percent annual growth), and construction employment (8.8 percent annual growth). Employment trends in the Downtown study area have been different.

Government sector employment increased in the Downtown study area by 8.5 percent. Given the low overall growth of government employment for the MOA (0.6 percent), this indicates a high density of government employment located in the Downtown Area. Wholesale employment in the Downtown Area grew by 9.5 percent annually between 1990 and 2000, while overall wholesale employment declined by 0.2 percent annually in the MOA. This also indicates a higher density of wholesale positions in the Downtown. The Downtown study area also experienced slight increases in health services employment, and services and miscellaneous professional services employment but not at the level of increased experienced in the Anchorage Bowl and throughout the MOA.

Table 12. Employment Trends by Industry, 1990-2000

MOA						
Industry	1990		2000		1990 to 2000	
	Jobs	% of Total	Jobs	% of Total	Jobs	% Annual Average Change
Mining	5,234	4.7	3,219	2.6	-2,015	-4.7
Construction	6,307	5.7	7,995	6.4	1,688	2.4
Manufacturing	4,006	3.6	2,542	2.0	-1,464	-4.4
Transportation/Utilities/ Communication	12,646	11.4	11,809	9.4	-837	-0.7
Wholesale	4,505	4.0	4,428	3.5	-77	-0.2
Retail	18,556	16.7	15,327	12.2	-3,229	-1.9
Finance/Insurance/Real Services and Misc.	7,135	6.4	7,654	6.1	519	0.7
Professional Services	22,039	19.8	35,422	28.2	13,383	4.9
Health Services	8,074	7.3	14,318	11.4	6,244	5.9
Government	21,099	19.0	22,356	17.8	1,257	0.6
Agriculture/Forestry/Fishing	1,641	1.5	667	0.5	-974	-8.6
Total Jobs	111,242		125,737		14,495	1.2

Military Bases						
Industry	1990		2000		1990 to 2000	
	Jobs	% of Total	Jobs	% of Total	Jobs	% Annual Average Change
Mining	17	0.6	0	0.0	-17	-62.5
Construction	65	2.4	44	2.0	-21	-3.8
Manufacturing	47	1.7	8	0.4	-39	-16.2
Transportation/Utilities/ Communication	95	3.5	67	3.1	-28	-3.4
Wholesale	17	0.6	25	1.2	8	3.9
Retail	634	23.1	458	21.1	-176	-3.2
Finance/Insurance/Real	262	9.5	178	8.2	-84	-3.8

Services and Misc.						
Professional Services	688	25.1	466	21.5	-222	-3.8
Health Services	314	11.4	365	16.9	51	1.5
Government	573	20.9	530	24.5	-43	-0.8
Agriculture/Forestry/Fishing	32	1.2	25	1.2	-7	-2.4
Total Jobs	2,744		2,166		-578	-2.3

Anchorage Bowl

Industry	1990		2000		1990 to 2000	
	Jobs	% of Total	Jobs	% of Total	Jobs	% Annual Average Change
Mining	4,605	4.8	4,890	3.0	285	0.6
Construction	5,373	5.6	12,520	7.6	7,147	8.8
Manufacturing	3,513	3.7	3,800	2.3	287	0.8
Transportation/Utilities/ Communication	11,286	11.8	17,768	10.8	6,482	4.6
Wholesale	4,179	4.4	6,746	4.1	2,567	4.9
Retail	16,032	16.7	20,194	12.3	4,162	2.3
Finance/Insurance/Real	6,259	6.5	9,654	5.9	3,395	4.4
Services and Misc.						
Professional Services	19,056	19.9	47,300	28.9	28,244	9.5
Health Services	6,789	7.1	14,550	8.9	7,761	7.9
Government	17,364	18.1	25,571	15.6	8,207	3.9
Agriculture/Forestry/Fishing	1,415	1.5	813	0.5	-602	-5.4
Total Jobs	95,871		163,806		67,935	5.5

Downtown Anchorage

Industry	1990		2000		1990 to 2000	
	Jobs	% of Total	Jobs	% of Total	Jobs	% Annual Average Change
Mining	24	1.8	10	0.7	-14	-8.4
Construction	70	5.3	61	4.2	-9	-1.4
Manufacturing	60	4.5	27	1.9	-33	-7.7
Transportation/Utilities/ Communication	143	10.8	142	9.9	-1	-0.1
Wholesale	25	1.9	63	4.4	38	9.7
Retail	184	13.9	159	11.0	-25	-1.4
Finance/Insurance/Real	61	4.6	42	2.9	-19	-3.7
Services and Misc.						
Professional Services	447	33.7	507	35.2	60	1.3
Health Services	110	8.3	151	10.5	41	3.2
Government	120	9.0	272	18.9	152	8.5
Agriculture/Forestry/Fishing	83	6.3	6	0.4	-77	-23.1
Total Jobs	1,327		1,440		113	0.8

Source: US Census Bureau. Census 2000. Census 1990.

Note: Government includes Education Services and Public Administration. Services and Misc. Professional Services include all other services not included in another industry group.

The employment figures within economic sectors presented previously are for residents within the Downtown study area. There are many more employees within the study area than who actually reside there. The table below presents employment figures for industries within the study area.

Table 13. Employment Figures for Industries within the Study Area

Employment by Industry	2000	2004	Annual Percent Change
Accommodation and Food Services	2,640	2,527	-1.1%
Administrative and Support and Waste Management and Remediation Services	433	414	-1.1%
Arts, Entertainment, and Recreation	98	316	34.0%
Construction	315	322	0.6%
Educational Services	61	75	5.3%
Finance and Insurance	253	200	-5.7%
Health Care and Social Assistance	453	1,057	23.6%
Information	147	161	2.3%
Management of Companies and Enterprises	120	156	6.8%
Manufacturing	62	38	-11.5%
Mining	781	718	-2.1%
Other Services (except Public Administration)	722	562	-6.1%
Professional, Scientific, and Technical Services	2,008	2,123	1.4%
Public Administration	3,522	5,002	9.2%
Real Estate and Rental and Leasing	308	260	-4.1%
Retail Trade	1,470	1,728	4.1%
Transportation and Warehousing	773	916	4.3%
Wholesale Trade	429	392	-2.2%
Total	14,595	16,967	3.8%

Source: Alaska Department of Labor and Workforce Development, 2005.

Note: Employment by industry for all businesses located within the Anchorage 99501 zip code area.

Median Household Income

Table 14 describes median household income for 1990 and 2000.¹⁴ The median income is the income value that lies midway between the highest and lowest reported income level, with 50 percent of all incomes higher than the median income and 50 percent lower than the median income. The median household income of Downtown study area residents in 2000 was around \$35,000, while the median income of all Anchorage Bowl residents was almost \$65,000. This is equivalent to the median household income of the Downtown study area being approximately 55 percent of the median income reported by Anchorage Bowl residents in 2000.

¹⁴ Adjusted to 2004 dollars using the Anchorage CPI.

Table 14. Median Household Income (1990-2000)

Median Household Income		1990-2000 Change
MOA		
1990	2000	Change
\$65,585	\$62,396	-\$3,189
Military Bases		
1990	2000	Change
\$38,802	\$43,936	\$5,135
Anchorage Bowl		
1990	2000	Change
\$70,344	\$64,736	-\$5,608
Downtown study area		
1990	2000	Change
\$41,826	\$35,044	-\$6,783

Source: U.S. Bureau of the Census. 2000 Census. 1990 Census of Population and Housing.

*All dollar values adjusted to 2004 dollars using the Anchorage CPI.

*Per Capita statistics are a weighted average (by population) of the per capita statistics of each block group within the geographical area.

Poverty

Poverty is an issue faced by many of the residents in the study area. The U.S. Department of Health and Human Services provides annual poverty threshold guidelines to establish the poverty level and set income limits to guide people's eligibility for government-sponsored assistance programs. These thresholds are also used by the U.S. Census when reported poverty levels for the biennial census.

Table 15. Poverty Thresholds, 2000

Number of People in Family Household	Income Limit
One person	\$10,430
Two people	14,060
Three people	17,690
Four people	21,320
Five people	24,950
Six people	28,580
Seven people	32,210
Eight people	35,840

Source: U.S. Department of Human and Health Services, 2005.

Poverty Rates

Table 16 shows poverty levels for the four geographical areas of interest for 1990 and 2000, as reported by the U.S. Census. The percent of the resident population living under the poverty level is much higher in the Downtown study area than the larger geographical areas of the MOA and the Anchorage Bowl, and this percentage increased between by over 10 percent annually between 1990 and 2000. In 2000, almost 50 percent of the persons residing in the Downtown study area lived below the poverty line.

Table 16. Poverty Rates in 1990 and 2000

	1990	Percent of Total Population	2000	Percent of Total Population	% Average Annual Change (1990 to 2000)
MOA	15,614	6.9	18,682	7.2	1.8
Military Bases	748	5.0	473	3.9	-4.5
Anchorage Bowl	13,832	7.5	17,256	0	2.2
Downtown study area	264	33.5	717	49.9	10.5

Source: US Census Bureau. Census 1990. Census 2000.

7.4 MARKET FOR POTENTIAL LAND USES IN DOWNTOWN STUDY AREA

This section of the Economic Analysis provides an assessment of demand and supply for several land uses vital for a Downtown to evolve to a more intensive urban center with core office, business, arts and cultural facilities and higher residential densities. This section of the economic analysis assesses the market for the following land uses: residential, hotel, retail, and office. The tables below summarize demand projections for these land uses in the Downtown study area for both a base case and higher growth scenario. Both scenarios are based on employment forecasts from the municipal long range transportation model, converted to residential units or commercial square feet based on assumptions regarding persons per household and sq. ft. per employee.

**Table 17. Summary of Projected Demand for Development—Baseline Growth Scenario
Downtown Anchorage Strategic Plan**

Development Type	Existing Supply 2002	Demand in 2025	Net New Demand thru 2025	
			Units/Rooms/Sq. Ft.	% Growth
Residential Units (1)	489	1,510	1,021	209
For-Sale	303	936	633	209
For-Rent	186	574	388	209
Hotel Rooms (2)	3,407	4,407	1,000	29
Office/Institutional Sq. Ft. (3)	4,694,200	5,975,550	1,281,350	27
Warehouse / Industrial Sq. Ft. (4)	816,000	1,398,000	582,000	71
Retail Sq. Ft. (5)	587,650	654,850	67,200	11

(1) Residential demand based on the Municipality of Anchorage Long Range Transportation Plan household growth forecasts for 2025, With current proportions of rental vs. for-sale units.

(2) Hotel demand created by the expansion of Anchorage's convention center facilities.

(3) Based on projected employment growth in finance, insurance, real estate, services, government, schools, universities, and healthcare, assuming 350 sq.ft. per employee

(4) Based on projected employment growth in 1/2 of transportation, manufacturing, and wholesale, assumes 1000 sq. ft. per employee

(5) Based on projected employment in retail, assuming 350 sq. ft. per employee

Sources: Economic & Planning Systems, Inc. extrapolated from Northern Economic data and information; Municipality of Anchorage Long Range Transportation Plan.

Table 18 summarizes demand projections for potential land uses based on a high growth scenario. This high growth scenario represents a “what if” scenario in terms of what must occur to change development patterns

and trends within the Municipality. In order for the Downtown study area to capture five percent of all new housing projected over 20 years for the Municipality, aggressive policies will be needed. These projections are achievable only with housing preference survey and aggressive policies including tax abatement, use of tax increment financing, architectural design review and control, parking strategies, construction loan programs, and low interest home loan programs specifically designed for the Downtown market area. Developers are currently constructing office towers on speculation in mid-town in anticipation of gasoline activity. Twenty percent capture rate of commercial development Downtown is seen in other metropolitan areas in the U.S. but will take an extensive land use inventory, analysis of carrying capacity and incentives to ensure build-out.

**Table 18. Summary of Projected Demand for Development—Higher Growth Scenario
Downtown Anchorage Strategic Plan**

Development Type	Existing Supply 2002	Demand in 2025	Net New Demand thru 2025	
			Units/Rooms/Sq. Ft.	% Growth
Residential Units (1)	489	6,268	5,779	1,182
For-Sale	303	3,886	3,583	1,182
For-Rent	186	2,382	2,196	1,182
Hotel Rooms (2)	3,407	4,407	1,000	29
Office/Institutional Sq. Ft. (3)	4,694,200	7,797,720	3,103,520	66
Warehouse / Industrial Sq. Ft. (4)	816,000	1,422,950	606,950	74
Retail Sq. Ft. (5)	587,650	880,110	292,460	50

- (1) Residential demand estimated by assuming a 5% capture of total growth in Anchorage.
- (2) Hotel demand created by the expansion of Anchorage's convention center facilities.
- (3) Based on projected employment growth for Anchorage in finance, insurance, real estate, services, government, schools, universities, and healthcare sectors, assuming 350 sq. ft. per employee and a capture rate of 20%
- (4) Based on projected employment growth for Anchorage in manufacturing, wholesale, and 1/2 of transportation sectors, assumes 1000 sq. ft. per employee and a capture rate of 10%
- (5) Based on projected employment growth for Anchorage in retail, assuming 350 sq. ft. per employee and a capture rate of 10%

Sources: Economic & Planning Systems, Inc. extrapolated from data/information provided by Northern Economics; Municipality of Anchorage Long Range Transportation Plan

7.4.1 Housing Market Assessment

This section describes the Anchorage housing market and characteristics of housing supply and demand within the Downtown study area itself. Trends in number of structures built, number of sales, housing prices, and types of housing units are presented in the housing market assessment. Also presented here are projections about the future number of households likely to reside in the Downtown study area, and what this may mean for Downtown residential market opportunities.

The housing market analysis reveals a number of essential findings:

- The housing market in Anchorage is strong, as new units are in demand and prices are rising.
- As the amount of developable land within Anchorage becomes smaller, the feasibility of redevelopment and rehabilitation will increase.
- Over half of new housing units built in Anchorage over the past couple of years have been multifamily developments.

- Housing affordability is an issue that plagues many would-be home owners—making multifamily dwellings and denser housing development that much more appealing.

Although Downtown Anchorage is an employment center, most of the residents who work Downtown do not live in the study area. Development of affordable and market-rate housing within the specific study area has not been a policy focus for the Downtown. The Municipality of Anchorage *Housing and Community Development 2006 Action Plan* does address barriers to affordable housing and needs for public housing throughout the community. (Public housing is addressed later in this section.)

Development of the Downtown area has been centered on civic facilities, business and government buildings, hospitality and retail. Residential development has also occurred, but there has not been as high demand for it within the study area as will be needed to activate the Downtown core. However, this trend is starting to change as the availability of buildable land decreases in Anchorage and the need for housing increases with a growing population, a growing trend to live in Downtown, and recent Downtown improvements. For example, providing shopping and recreation amenities that cater to the resident population and that are within walking distance for Downtown residents will increase the attractiveness of residing in Downtown Anchorage.

Anchorage Housing Market

The Anchorage housing market has experienced both decline and growth over the last 20 years. In the late 1980s, the Anchorage Bowl housing market declined, as an oversupply of apartments and condominiums occurred (Municipality of Anchorage, 2001). The Anchorage housing market began to recover and grow in the early 1990s, both within the Anchorage Bowl and outside in the greater MOA. In the early 2000s, the housing market grew very strong, as both the number of units demanded and being built increased, as did the price of housing.

According to *Anchorage 2020*, most of the suitable land in the Anchorage Bowl has been developed and much of the remaining vacant land is in small parcels or in areas where development is more difficult and expensive. In order to accommodate future growth, redevelopment of certain areas, particularly Downtown, is economically viable.

The housing market has been strong in Anchorage over the past decade plus, and it has gained momentum in the last few years. Between 1990 and 2000, the number of new units increased by 0.6 percent annually, with over 6,000 new units being added over this 10-year time period (94,153 housing units in 1990 to 100,368 units in 2000). Since 2000, the construction of new units has happened more quickly—between 2001 and 2004, almost 7,800 more units were added, growing by 1.8 percent annually.

Table 19 shows the number of new housing units by type in the MOA from 1997 through 2004. This information is from a quarterly survey completed by the Alaska Department of Labor and Workforce Development Research & Analysis Section. The survey collects information on new housing starts and/or new building permits from Alaska Boroughs, incorporated communities, and housing organizations.

As shown in Table 19, in the late 1990s more single-family homes were being built in the MOA than multifamily units; however, in 2003 and 2004, more multifamily units than single-family homes were built. This shift between the construction of single family homes and multifamily homes is indicative of demand for multifamily homes. Builders' desire to construct multifamily units is related to the growing scarcity of buildable land, particularly within the Anchorage Bowl, and residents' demand for multifamily units is related to the affordability of multifamily units in comparison to single-family homes as well as some residents' lifestyle decisions related to owning and maintaining a larger single-family home or a smaller multi-family unit.

According to the land use inventory for the comprehensive plan and market updates by the real estate community, there are fewer than 6,200 acres of developable vacant land in the MOA (MOA, 2001). Land prices in Anchorage have doubled over the past couple of years making it more expensive to develop land. There has been a shift toward higher density, multi-family construction. The Anchorage Homebuilders Association indicated the number of multi-family units being built in Anchorage has increased because of

limited availability of buildable land, the increased cost of site preparation and general land costs, and the demand for housing within Anchorage (Portwood, V. 2005).

Table 19. New Housing Units by Type in the Municipality of Anchorage, 1997 through 2004

	1996	1997	1998	1999	2000	2001	2002	2003	2004
MOA	1,207	1,428	1,653	1,330	1,253	1,942	1,710	2,334	1,809
Single family	71.3%	73.0%	70.4%	58.9%	63.8%	54.2%	54.6%	38.8%	43.8%
Multi-family	25.0%	22.0%	26.4%	36.3%	27.5%	45.8%	45.4%	61.2%	56.2%
Mobile homes	3.70%	5.00%	3.20%	4.80%	8.60%	0.00%	0.00%	0.00%	0.00%

Source: Kreiger, R., DOLWD Research & Analysis Section, 2005

For-Sale Housing

In recent years, the number of home sales and the average price of homes have grown quickly. Table 20 shows the MOA single-family home sales from 1994 through 2004, including the average sales prices, the number of sales per year, and the absorption of housing into the market (number of days on the market). This information has been collected through the Alaska Multiple Listing Service, on a voluntary basis, so it is not a comprehensive data source but provides an indication of market trends.

The average adjusted sales price of single family homes in the MOA increased by 3.2 percent annually between 1994 and 2004; however, much of this growth occurred from 2000 and 2004, as prices increased by almost six percent annually over this four-year time period. Increased demand over this latter time period was driven by lower interest rates and people's desire to own their home rather than rent. The average number of days homes were on the market declined between 1994 and 2004, from 79 days in 1994 to just 46 days in 2004.

Table 20. MOA Single-Family Home Sales, 1994 through 2004

Year	Number of Sales	Average Sales Price (\$)	Annual Percent Change	Average Number of Days on Market
1994	2,771	189,806	NA	79
1995	3,115	184,923	-2.6	70
1996	2,831	192,911	4.3	67
1997	3,121	196,428	1.8	70
1998	3,309	203,700	3.7	67
1999	3,063	204,901	0.6	69
2000	2,990	206,161	0.6	69
2001	3,279	220,852	7.1	55
2002	3,175	233,743	5.8	49
2003	3,323	242,272	3.6	50
2004	3,328	259,883	7.3	46

Source: Alaska Multiple Listing Service, 2005.

Note: All dollar values have been adjusted to 2004 dollars using the Anchorage consumer price index (DOLWD Research & Analysis, 2005).

According to Alaska MLS statistics, the average sales price of single family homes between January and September 2005 was \$287,713, while in August 2005 the average sales price was \$301,482 (Alaska MLS, 2005).

A snapshot of single family and condominium homes for sale in an area encompassing the study area and areas south and west for August, 2005, indicated an average asking price for a single family home at \$293,009 and average asking price for a condominium at \$200,800. (Alaska MLS, 2005). On a price per square foot basis, a two bedroom 1,007 sq. ft. home on a 7,000 sq. ft. lot with asking price of \$229,000, priced out at \$227.41/sq. ft. Condominiums tend to be priced lower due to their smaller size and the fact they don't include land. Prices in the study area for condominiums ranged from \$240,000 for a two bedroom, 1,052 sq. ft. condominium on I Street to \$456,000 for a similar sized, three-bedroom, 1500 sq. ft. condominium on M Street, with \$300/sq. ft. Asking prices for condos went as high as \$795,000 for a three bedroom, 2,543 sq. ft. condo on M Street.

There appears to be a gap in mid-range price condos in the study area. This was corroborated in the stakeholder/developer interviews (Herrington, 2005).

Rental Housing

The Anchorage rental market has experienced decreased demand as more people have opted to purchase homes due to lower interest rates making this option more affordable (Johnson, 2005). Also, the availability of lower priced multifamily options, such as condos or duplexes, has made purchasing a home a more affordable option.

However, the demand for rental housing is expected to increase in the future, especially if interest rates continue to rise, making homeownership less affordable.

Table 21 provides a sample of units in or near the Downtown study area available for rent in October, 2005. The cost of the rental is closely tied to the size of the rental, as the price per square foot tends to be slightly above \$1.00. Thus, renting a duplex that is 1,450 square feet will cost twice as much as renting an apartment that is 700 square feet.

Table 21. Snapshot of Units for Rent, October, 2005

Type of Rental	Address	Bedrooms	Bathrooms	Square Feet	Price (\$)/month	Price/ square foot
Condo	1200 I St.	2	2	1,000	\$1,450	\$1.45
Condo	424 E 14th Ave	2	1	850	\$825	\$0.97
Townhouse	230 E 11th Ave	3	2	1,450	\$1,600	\$1.10
Townhouse	not available	2	2	1,300	\$1,195	\$0.92
Duplex	1358 W 11th Ave	4	2	2,200	\$2,150	\$0.98
Apartment	601 E 15th Terrace	1	1	700	\$725	\$1.04
Apartment	1300 W 7th	1	1	748	\$925	\$1.24
Apartment	519 E 11th	2	1	800	\$750	\$0.94

Source: Anchorage Daily Journal of Commerce, 2005.

Areas within Anchorage that offer rental units include the Mountain View neighborhood in north Anchorage, midtown around Gambell St. and Ingra St., east Anchorage, and the northern portion of Muldoon. Single family rentals are dispersed throughout Anchorage. Rental complexes have been developed near major intersections and within areas that aren't typically residential neighborhoods like commercial areas. Given the shrinking supply of buildable land, these areas have become more attractive options for rental housing.

Downtown Housing Market

The Downtown housing market includes a mix of owner-occupied and rental housing units. There are approximately 560 owner-occupied housing units in the Downtown study area and 350 rental housing units, according to census data. Projections for housing demand in 2025 approximate 1,510 with a total increase of 1,021 housing units in the Downtown study area. These baseline projections are based on the growth

assumptions in the municipal long range transportation plan, which take into account redevelopment and infill with higher density residential development.

On the south side of the Park Strip, assessed valuation of residential properties tends to be much higher than properties to the north of the Park Strip (Municipal Tax Assessor, 2005). The current zoning within the study area constrains the potential for residential development. Although there has been limited redevelopment of single family residences into condominiums, town homes, and multi-family housing, according to municipal tax assessor records for the last three years, this trend is starting to change. There are recent new residential projects in the Downtown study area: condominiums at 7th and Cordova, West side near Elderberry Park, and some development of the west end of 10th Avenue. Other projects near the Downtown core are on the horizon.

It costs between \$200 and \$250 per square foot to build in the Downtown Area, and land prices are around \$45 to \$50/square foot, so condos and other multi-family housing will typically cost between \$250,000 and \$350,000 depending on size and location (Herrington, 2005).

As provided by the 2000 Census, over 83 percent of housing units in the Downtown study area are multifamily units. In the Downtown study area, residences are mixed in with other types of building uses, such as retail shops, hotels, and office space. Most of the single family homes in the Downtown area are older homes that are located along Tenth Street, which is the beginning of the Downtown residential area located south of Downtown Anchorage—between Downtown and Midtown Anchorage.

Table 22. Downtown study area Units in Structure, 2000

	Number	Percent of Total
Total Units	436	
One Unit	73	17
Two units	0	0
Three or four units	16	4
Five to nine units	29	7
Ten to nineteen units	57	13
Twenty to forty-nine units	139	32
Fifty or more units	122	28
Mobile home or other	0	0
Single family homes	73	17
Multifamily units	363	83

Source: 2000 Census

Owner-Occupied Housing

Table 23 describes owner-occupied residences in the Downtown study area according to 2005 MOA Assessor’s Office data. Over 85 percent of owner-occupied residences, or 479 units, are condominiums. Table 24 describes the values of owner-occupied units and land. The average value of condos as valued by the MOA Assessor’s Office is approximately \$160,000, while duplex and triplexes are around \$153,000. The average assessed value for single family residences in the Downtown study area is \$194,000. Overall, the assessed value of residences is lower than the market value of residences in the Municipality of Anchorage.

Table 23. Owner-Occupied Residences in the Downtown study area, 2005

Type of Residence	Number	% of Total	Total Building Sq. Ft.	Building Average Sq. Ft./Unit	Total Land Sq. Ft.	Land Average Square Feet/Unit
Condo	479	85.5	579,139	1,209	0	0
Duplex	16	1.4	23,434	1465	69,805	4,363
Single Family Residence	71	12.7	105,331	1,484	422,342	5,948
Tri-plex	2	0.4	3,901	650	9,082	4,541
Total	560		711,805	1,271	501,229	6,188

Source: MOA Assessor's Data

Note: Land values for condo units are not reported as land values are tied to the entire building in which the condos exist.

Table 24. Owner-Occupied Values for Residences in the Downtown study area, 2005

Type of Residence	Total Building Value	Total Land Value	Total Combined Value	Average Value/Unit
Condo	\$76,654,900	\$0	\$76,654,900	\$160,031.11
Duplex	\$1,536,400	\$924,600	\$2,461,000	\$153,812.50
Single Family Residence	\$8,393,100	\$5,364,900	\$13,758,000	\$193,774.65
Tri-plex	\$286,800	\$175,700	\$462,500	\$154,166.67
Total	\$86,871,200	\$6,465,200	\$93,336,400	\$166,672.14

Source: MOA Assessor's Office, 2005

The Downtown/Spennard sales information includes the area north of Tudor Rd., East of Seward Highway, and South of Elmendorf. The most recent sales information available is presented in Table 25.

During August 2005, 26 single family homes and 21 condos were sold in the Downtown/Spennard Area, while 336 single family and homes and 159 condominiums were sold throughout the Anchorage Bowl. The average sales price of single family homes in the Downtown/Spennard area was \$293,009, while the average sales price throughout the Anchorage Bowl was \$304,650. The average sales price for condominiums was slightly higher in the Downtown/Spennard Area than the Anchorage-wide prices, \$200,800 versus \$170,505, respectively.

Table 25. Homes Sales in Downtown/Spennard and MOA, August, 2005

	Downtown/Spennard Region	Anchorage Bowl
Single Family Homes		
Number of sales	26	336
Average sales price	\$293,009	\$304,650
Average number of days on the market	33	34
Condos		
Number of sales	21	159
Average sales price	\$200,800	\$170,505
Average number of days on the market	85	68

Source: Alaska MLS, 2005.

Table 26 provides a snapshot of properties for-sale in the Downtown study area in October 2005. Price per square foot ranges between \$185 and \$300, while advertised price per unit ranges from \$145,000 for a small condo to over \$1.1 million for a large single family home.

Table 26. Snapshot of Properties For-Sale in the Downtown study area, October 2005

Type	Address	Bed	Bath	Bldg. (Sq. Ft.)	Lot (Sq. Ft.)	Price (\$)	Price/ Unit Sq. Ft.
Single-family	111 E 7th Ave	4	2	2,080	7,000	\$490,000	\$236
Single-family	546 W 10th Ave	5	1.75	2,310	10,890	\$685,000	\$297
Single-family	1320 10th Ave	5	6	4,900	7,820	\$1,150,000	\$235
Condo	221 E 7th Ave #109	1	1	712		\$145,000	\$204
Condo	1300 W 7th Ave	2	1.2	1,102		\$203,500	\$185
Condo	510 M St. #102	3	2.5	1,620		\$486,000	\$300
Condo	510 M St #202	3	2.5	1,520		\$456,000	\$300
Condo	510 M St. #201	3	2.5	1,709		\$512,700	\$300
Condo	510 M St. #302	3	2.52	1,714		\$514,200	\$300
Condo	510 M St. #103	3	2.5	2,069		\$620,700	\$300
Condo	510 M St #301	3	2.5	2,161		\$642,300	\$297
Condo	510 M St #101	3	2.5	2,145		\$643,500	\$300
Condo	510 M St #104	3	2.5	2,543		\$762,900	\$300

Source: Anchorage Chamber of Commerce, 2005; Alaska Hotels, 2005; and AH&LAHotel.org, 2005.

Rental Housing

There are several apartments units available in the Downtown study area with the majority of these units being apartments—over 92 percent are apartments either garden or high-rise style. Garden-style apartments are units that are in low-rise buildings including apartments in converted houses or apartments in buildings that have fewer than four stories.

Table 27. Rental Units in Downtown study area

	Building square feet	Number of units	Percent of Total Units
4-plex	4,230	4	1.2
Apartments- garden	282,445	222	65.1
Apartments- high rise	119,987	94	27.6
Condo	14,263	12	3.5
Duplex	1,624	2	0.6
Single Family Residence	6,055	4	1.2
Tri-plex	4,968	3	0.9
Grand Total	433,572	341	

Source: MOA Assessor's Office, 2005.

Table 28 shows a snapshot of units for rent in the Downtown study area in October, 2005. Rents range between \$700 for smaller apartment units to over \$2,000 for larger duplex, condo, or townhouse rentals. According to local real estate professional, the rents in Downtown are comparable to rents elsewhere in Anchorage (Johnson, A, 2005).

Table 28. Snapshot of Units for Rent in Downtown study area, October 2005

Type	Address	Bedrooms	Bathrooms	Square Feet of Unit	Price \$/Month	Price \$/Sq. Ft.
Apartment	1300 W 7th	1	1	748	\$925	\$1.24
Apartment	1200 I St.	2	2	1,000	\$1,450	\$1.45
Apartment	519 E 11th	2	1	800	\$750	\$0.94
Apartment	NA	2	1		\$700	
Apartment	326 E 10th	2	1		\$750	
Apartment	NA	2	1		\$900	
Apartment	424 E 14th Ave	2	1	850	\$825	\$0.97
Apartment	NA	3	2		\$1,950	
Apartment	NA	3	2		\$1,395	
Apartment	NA	3	2		\$1,200	
House	1358 W 11th	1	1		\$1,050	
Duplex	Ave	4	2	2,200	\$2,150	\$0.98
Duplex	NA	3	2		\$1,700	
Condo	NA	3	2.5		\$1,900	
Townhouse	230 E 11th Ave	3	2	1,450	\$1,600	\$1.10
Townhouse	NA	2	2	1,300	\$1,195	\$0.92

Source: Prudential Jack White Real Estate, 2005.

Public and Assisted Housing

Affordable housing for low to median income households is an important component of all communities. As described in the socioeconomic profile, almost 50 percent of the residents who live in the Downtown study area were below the poverty level as reported in the 2000 Census. Thus, low-income housing options are a necessity for the Downtown area. Currently, within the Downtown study area there are a few different options for persons that need housing assistance. Anchorage Neighborhood Housing Services, Inc. sponsors low-income housing at several locations in the Downtown study area, including Adelaide Apartments and Loussac-Sogn Apartments (MOA Community Development Division, 2005). Adelaide Apartments is located on the 200 block of 9th Street, and Loussac-Sogn Apartments is located on the 400 block of D Street. Both apartment buildings have income limitations. Hillpoint Apartments on the 300 block of Barrow St. also has low-income units.

There are several organizations that work to provide housing and assistance to low-income persons within the MOA. For instance, the Alaska Housing Finance Corporation (AHFC) has several programs aimed at assisting low-income persons to afford rent or a home purchase. AHFC administers the Federal Housing Choice Voucher and HOME Coupon Program. These vouchers can be used at any rental location in Anchorage, as long as the landlord agrees to the terms of the voucher program.

Several of the shelters and assistance programs available for the homeless are located in the Downtown study area. This group includes Brother Francis Shelter on the 1000 block of East Third, Covenant House, which provides temporary living quarters for teens on the 600 block of F Street across from Town Square, and the Bean's Café (soup kitchen) on the 400 block of 4th Street.

Future Housing Demand

The most recent housing and employment forecasts specifically for Anchorage are based on population, employment, and housing projections developed by the Institute of Social and Economic Research of the University of Alaska, Anchorage (ISER) for use in the report *Economic Projections for Alaska and the Southern*

Railbelt. These projections were further developed in the MOA Long Range Transportation Plan (MOA Transportation Planning Division, 2004). The housing market demand analysis for the Downtown study area utilizes these housing and employment forecasts. These LRTP housing and employment projections were developed from the Anchorage Land Use Allocation Model that has been used to simulate land use allocations that are consistent with the adopted *Anchorage 2020*. The land use allocation model utilizes ISER’s 2003 employment and population projections for Alaska and its major regions. Transportation analysis zones (TAZs) are standardized zones used by transportation engineers for traffic planning and growth modeling purposes. The allocation of growth to different TAZs is based upon the following criteria (MOA Transportation Planning Division, 2004):

- The availability of parcels for development, either those that are vacant, re-developable, or under-developed
- The suitability of land for development
- The type and amount of development allowed under different zoning ordinances
- The accessibility and location of the parcel
- Up-coming projects

The number of households in the Anchorage Bowl is expected to grow by 1.2 percent annually between 2002 and 2025, adding an additional 28,000 households. A portion of these households will be added within the Downtown study area. The Downtown study area is expected to have a total of 1,510 households by 2025, adding over 1,021 owner occupied and rental units. It is possible that the Downtown study area will capture a higher percentage of Anchorage’s new households (see high growth scenario), especially with increased shopping and entertainment venues, pedestrian amenities and choice of housing type and price range.

Table 29. Projected Demand for Residential Development- Baseline Growth Scenario

Development Type	Existing Supply 2005	Demand in 2025	Net New Demand	
			Units/Rooms/Sq. Ft.	% Growth
Residential Units (1)	489	1,510	1,021	209%
For-sale	303	936	633	209%
For-rent	186	574	388	209%

(1) Residential demand based on the Municipality of Anchorage Long Range Transportation Plan households with current proportions of rental vs. for-sale units

Sources: Northern Economics, Inc.; Municipality of Anchorage Long Range Transportation Plan; Economic & Planning Systems, Inc.

Table 30. Projected Demand for Residential Development- High Growth Scenario

Development Type	Existing Supply 2002	Demand in 2025	Net New Demand	
			Units	%Growth
Residential Units (1)	489	6,268	5,779	1182%
For-Sale	303	3,886	3,583	1182%
For-Rent	186	2,382	2,196	1182%

(1) Residential demand estimated by assuming a 5% capture of total growth in Anchorage.

Sources: Economic & Planning Systems, Inc. extrapolated from data/information from Northern Economics, Inc.; Municipality of Anchorage Long Range Transportation Plan;

Future Housing Supply

Housing preferences of the demographics of future residents in the Downtown study area- aging baby boomers and young professionals- will likely be well designed multifamily housing units, condos, town homes, or apartments. According to interviews with local realtors specializing in Downtown real estate, there are several residential projects lined up for the Downtown area. There are also other related projects that could lead to increased demand for housing in the Downtown area (Herrington, 2005). For instance, there may be some residential and mixed-use development opportunities related to the museum expansion (between Sixth and Seventh Street and Cordova and A Street), and the attractiveness that this will bring to the local area.

There are some housing developments underway on the periphery of the Downtown study area (Herrington, 2005). A housing development that is currently underway includes a 12 to 16 unit development between 11th and 12th St. and C St. Condos within this development are expected to sell for between \$325,000 to \$410,000 apiece and include a garage. At 5th Avenue and M St. a high-end condominium development is underway, and will include 10 condos priced over \$500,000. Other prospective development outside of the study area includes 10 to 15 upper-end condos on the far west end of 9th Street, and 4 to 6 condos on the corner of 8th and P Streets. There are several other prospective developments that may occur, dependent upon future business and investment decisions. For instance, there is discussion that a 100-condo development may occur on Alaska Railroad Corporation land as part of a redevelopment effort for the Ship Creek area just north of Downtown and between Downtown and the Knik Arm.

There are several private sector mixed use developments projected for the Downtown study area. These include residential units, office, retail, and parking. These projects include approximately 400 additional residential units that would be constructed within 10 to 15 years.

Recommendations

According to developers and realtors active in the Downtown residential market (Herrington 2005), there are gaps in housing supply to meet emerging markets. Demographic information indicates that Anchorage is an attractive location for young professionals to gain experience. For instance, according to an ISER report, there were more arrivals than departures of educated young adults in the late 1990s; among those with four or more years of college 4,800 arrived and 3,200 left. (Goldsmith, et al, 2005).

- Young single professionals represent a market opportunity desiring affordable market-rate housing. The Ship Creek area, with amenities such as the new Bridge restaurant, views, trails, and walkways, could support 20-25 condos at \$300,000 each.
- Another market opportunity exists with the number of federal government employees Downtown. There is a gap in supply of market-rate rental housing that could be based on federal employees' income. Monthly rents would be in the range of \$1,000-\$1,200 (Herrington, 2005).
- As the city's population 65 and over continues to increase, it is likely that this population could be attracted to the Downtown area, especially if amenities and activities attractive to this older age group are developed in the Downtown Area. According to ISER, this age group will grow to 11 percent of Anchorage's population by 2020 (ISER, 2005). Persons 65 and over are more likely to desire alternatives to single family residences with several bedrooms and large yards, especially as they retire, and have more time for travel and recreation. Purchasing or renting an apartment or condominium rather than remaining in a larger home may appeal to many in this age group.
- Re-zone periphery of study area for residential
- Increase supply of affordable market rate for sale and rental units

Other recommendations are to:

- Expand resident-serving services in the Downtown study area, such as a grocery or drug store, to serve residents, not just tourists.
- Municipal coordination of planning, building permitting, and inspections process to ensure regulations result do not hinder higher design standard while also accounting for impacts of developments.
- Provide training and development guide for potential developers
- Address high costs of construction Downtown versus other areas in the Municipality and Matanuska-Susitna Borough through residential development incentives
- Address need for a more effective public transportation system.

7.4.2 Retail Market Assessment

Downtown Anchorage's retail sector ranges from a Fifth Avenue Mall with national name brand tenants flanked by Nordstrom and JC Penney, to locally owned shops. The Fifth Avenue Mall experiences over 90 percent tenant occupancy and high growth in revenues (4 percent average annual growth last five years), just as Nordstrom and JC Penney flourish Downtown. The Weekend Market sees 668,100 annual attendees who spend approximately \$12.1 million in the Weekend Market annually plus an additional \$9.3 million in other Downtown establishments (Northern Economics, 2004). The perceived lack of parking Downtown and the impact of the Weekend Market on storefront retailers Downtown are some of the planning issues and considerations. The challenge is how to leverage new public and private investments in facilities and infrastructure to support the Downtown retail sector, particularly storefront retail.

The retail sector is in transition. There has been a shift in the character of retail Downtown over the last thirty years related to seasonal tourism and loss of residential base.¹⁵ Originally, retail space was general purpose and served all of the community. There has been a shift from shoe stores, jewelry and watch shops, small pharmacy, and neighborhood grocery to souvenir and t-shirt shops; these latter do not cater to local residents. Now, aside from the mall, it is focused on tourism, high-end retail, and entertainment.

Anchorage 2020 Plan provides a good summary of developing retail conditions municipal wide:

During the 1980s, retail expansion was dominated by shopping centers and strip malls. Retail expansion in the 1990s was characterized by an influx of national “big box” chain stores. Other retail-related expansion included innumerable freestanding restaurants, particularly fast-food outlets with drive-through lanes.

Almost all of the post-pipeline era developments drew customers away from Downtown merchants. During the mid-1980s, a number of retailers and restaurants abandoned Downtown and there were many empty storefronts, including more than half the 5th Avenue Mall. The newly constructed Performing Arts Center offered some hope, but the poor economic conditions statewide hindered it.

Anchorage 2020 calls for and envisions a vibrant retail and office district in the Downtown core. Ensuring the strength of that vibrancy requires a number of approaches. A couple of dynamic shopping streets in the Downtown core are G Street from third to sixth Avenues and D Street from Fourth to the Fifth Avenue Mall. There is an aggregation of restaurants, art shops, bars, retail, coffee shops, theater, and some residential. The *Anchorage Downtown Comprehensive Plan*, with ongoing projects such as the museum expansion, convention center, E Street pedestrian corridor, new parking facilities will bolster Downtown's retail sector.

¹⁵ Northern Economics, Inc.. Personal interview with Municipality of Anchorage Tax Assessor Marty McGee and staff, September 19, 2005.

Demand Assessment

Visitors to Anchorage from out of state typically fall into two groups: those who stay in town for an extended period and those visiting the state and using Anchorage as a port of entry or way point. The former group results in Downtown visits and expenditures. It is a group that supports the hospitality industry and some types of shops. Transit visitors have no reason to dally in Anchorage, and therefore are less likely to spend time and money Downtown. Cruise visitors are often on such a tight schedule that they do not have the time or the means to visit Downtown. The lack of sufficient entertaining attractions means that the latter group will look elsewhere in Alaska for its entertainment. No one venture is likely to provide sufficient visitor draw power. The enlarged museum will add some pull. However, more options are needed, and probably in different locations around the Downtown area. The new convention center should result in more visits to Downtown, but its true effect is yet to be fully understood.

The amount of purchasing power in Anchorage is limited. The community has a slowly growing population and is faced with an increasing share of regional growth heading to the Mat-Su Valley. Additionally, only a portion of the new economic activity derived from the community's population growth will occur in the Downtown area. The Downtown area competes with a number of commercial and cultural centers throughout the city for the consumer dollar. These areas include the Dimond Center, Northway Mall, the Mall at Sears, and a number of smaller commercial venues spread throughout Anchorage. Future growth in the Downtown area will have to come from economic growth, money being spent outside of the state by current Downtown consumers, or by capturing a share of the current consumer dollar that now heads to other locations within the Municipality.

Targeting residents to spend more funds Downtown is an important part of many suggested development plans. While Downtown businesses remain a logical choice for summer tourists and convention visitors, the businesses face far more competition for the dollar of both Anchorage and Southcentral Alaska consumers.

Anchorage's basic structure is not one of a Downtown retail core surrounded by suburban areas with little in the way of retail shopping. In fact, Anchorage has several major retail centers and numerous smaller ones. As in most U.S. cities, Anchorage's Downtown retailers face competition. Downtown Anchorage competes with other retail centers around town, and many of these centers are closer to consumers' homes than the Downtown area. For example, the Dimond Center mall, located at the intersection of the Old Seward Highway and Dimond Boulevard, anchors an array of stores. This area mimics Downtown in the variety of nearby retail shopping and restaurants. Additionally, the area is much closer to Anchorage's affluent Hillside and southern suburbs than Downtown. In the Midtown area, the Mall at Sears anchors an area of mixed retail and commercial uses located along Northern Lights Boulevard, Benson Boulevard, and 36th Avenue. Shopping in this area ranges from the mall setting of the Mall at Sears to smaller strip malls. These strip malls specialize in retail and shopping experiences that range from upscale (such as the Olympic Plaza at 36th Avenue and Arctic) to fast-casual dining and furniture such as the mall located at Benson Boulevard and the New Seward Highway. Smaller retail and commercial centers are located at the Northway Mall, Huffman Avenue, western Dimond Boulevard, and the Abbot Loop area.

Each of these areas competes with Downtown for a share of the consumer's dollar and most are located closer to the home of the average consumer than Downtown. New retail development in the Downtown area would face competition from these existing centers, retail centers that have yet to be built, and existing Downtown merchants.

Additionally, it is important to examine the overall spending budget these people are faced with. In essence, if people are charged more money to park, if they have to pay more for liquor taxes, sales taxes, and gas for their cars, they will ultimately have less to spend on dinner and art and the other goods and services that Downtown provides. So as costs rise, people will spend the same amount but do less.

Spending Patterns

Increasing local year-round residents' expenditures Downtown also means understanding their spending patterns. Data on this topic are very limited, but according to information provided by the U.S. Census Bureau's 2000 Census, the average Anchorage household generally spends its pre-tax income in nearly the same way as the average household on the West Coast. (See Table 1 below.) Anchorage households spend roughly the same portion of their pre-tax income as the average West Coast household on food at home, food away from home, tobacco and alcohol, household operations and housekeeping, and personal care products. They spend slightly less on housing and apparel and slightly more on furniture and transportation. The only category where Anchorage households spend substantially more than average is on entertainment. As a portion of pre-tax household income Anchorage households spend roughly 20 percent more than the West Coast average. While this information could indicate that Anchorage households are more likely than the average West Coast household to seek out entertainment, the data could also indicate that entertainment is more expensive in Anchorage than on the rest of the West Coast. Similarly, the Anchorage households spend about 17 percent less on apparel as a percentage of household income than the average West Coast household. This data could indicate that clothes are less expensive in Anchorage, Anchorage households actually buy fewer clothes, or that Anchorage households lack opportunities to shop for apparel. Thus, it is very difficult given the current level of information to project what Anchorage residents are looking for in new retail opportunities. More information is needed before inferences can be made on this topic.

Table 31. Portion of Pre-Tax Income Spent In Selected Retail and Consumer Categories

Category	Average Western U.S. Household (%)	Average Anchorage Household (%)
Food at Home	7.5	7.5
Food Away from Home	5.3	5.2
Tobacco and Alcohol	1.5	1.4
Housing	34.0	31.7
Household Operations and Housekeeping	2.9	2.9
Furniture and Furnishings	4.0	4.3
Apparel	4.1	3.4
Transportation	19.0	19.9
Entertainment	5.5	6.6
Personal Care Products	1.3	1.3

Source: U.S. Census Bureau, 2000.

Retail stores try to locate where their customer base can see them and have easy access. The exodus of retail stores from Downtown during the late 1980s was a reflection of both weakened economic conditions and the development of strip and shopping malls in the outlying areas mentioned above. As traffic to the Performing Arts Center increased, retail establishments and the hospitality industry began to return. At the same time, the overall clientele began to change. Conscious efforts on the part of the municipality to remove problem bars from Downtown in the early to mid 1980s resulted in perceptions of a safer Downtown area and opened storefronts for more upscale establishments. Patrons of the arts not only wanted to dine, but also to browse art and so additional art stores appeared. The synergy built and, combined with municipal efforts to revitalize the Downtown area, resulted in increased economic activity.

Weekend Market

The development of local attractions to lengthen visitor stays and to increase cultural experience has been evident municipal-wide. The Alaska Native Heritage Center opened in 1998. A major expansion of the

Anchorage Museum and the construction of a new Downtown Civic and Convention Center were both approved by voters on 2005 ballots. Street vendors have become common during the summer months, and a Weekend Market, first opened in 1993, has become very popular on Saturdays and now Sundays. Its popularity has even led to additional, smaller open-air markets elsewhere in the municipality.

Entertainment

Downtown retail health depends on generating customer traffic, and Downtown destination entertainment venues help to attract that type of traffic. Entertainment venues include museums, theaters, visitor information centers, and the convention center as well as numerous bars and restaurants. This group includes the Anchorage Museum, Imaginarium, Performing Arts Center, Egan Convention Center, Cyrano's Playhouse, Alaskan Experience Theatre, National Park Visitors Center, and others, even including horse-drawn carriage rides. A number of bars exist throughout the area. Some are part of restaurants or combination restaurant/bars while others offer little in the way of food. There are also at least two clubs for persons under 21 which operate primarily at night or on weekends. Many of these bars have entertainment of one form or another including live bands, DJs, karaoke, and background music. The breadth of bars runs the gamut from elegant to grimy and many of all types have Alaskan touches and flare.

In large measure, any new venue must be designed to draw increased numbers of local residents. While the new Museum will offer some possibility of increased traffic, it is unlikely to single-handedly draw enough new visitors to Downtown to solve current issues, and visitors will be somewhat cut off from other areas of Downtown by the lack of pedestrian-friendly infrastructure. Therefore, the benefits provided by new destination venues would be enhanced by a linked pedestrian system that allows easy transit between portions of Downtown regardless of weather. This system could comprise covered walkways, heated walks, tunnels, sky bridges, and (preferably free) bus loop routes a kin to the Ship Creek Shuttle.

Destination Events

In addition to destination venues, increased visitation also comes from destination events. Downtown destination events include: First Friday art walks, Saturday and Sunday market, noon time music in the park; Fur Rondy, the Iditarod race, Salmon on Parade; and numerous single events on the Park Strip, in Town Square, at hotels, and at the convention center. All of these lead to increased visits to the Downtown area, which in turn lead to increased customer visits to retail establishments. For example, a 2004 study by Northern Economics, Inc. estimated that 55 percent of Saturday and Sunday Market attendees also spent money at Downtown businesses. Additionally, the study estimated that market attendees spend roughly \$9.3 million per year at Downtown businesses and that restaurants, gift shops, and clothing stores were the most popular Downtown stores among market attendees (Northern Economics, Inc 2004).¹⁶

Pedestrian Access and Safety

As noted above, pedestrian connectivity within the Downtown core is hampered by the harshness of Anchorage winters. What during the summer is a 20 minute stroll from the Museum to Simon & Seafort's restaurant can easily become a half hour or longer battle with bone chilling winds and icy sidewalks in the winter. Many times the conditions are so bad that people either must take a car across town or just not go. The lack of a Downtown loop bus and generally inadequate public transportation means that winter visitors are restricted to a much narrower band of retail establishments, primarily those within a few blocks of their hotel or primary destination. The Downtown Partnership has instituted a service of clearing snow off almost 25 miles of sidewalks in the 103 square block area that they oversee. While that helps a great deal for pedestrian mobility, the area does not extend from the Museum to Simon & Seafort's, which are representative of the opposing boundaries of the Downtown area.

¹⁶ Northern Economics, Inc. *Economic Impacts on Anchorage of Saturday and Sunday Markets*. Prepared for the Anchorage Parking Authority, Municipality of Anchorage. November 2004.

In order for customers to want to visit retail establishments Downtown, they must perceive a clean and safe environment. This relates to sidewalks, lighting, streetscape, other people on the streets, and exposure to the elements. There are many parts of the study area that do not have these characteristics. Although the Anchorage Downtown Partnership has made great strides in addressing safety through its ambassador program, the Downtown area still has a perceived or real lack of safety during some times of the year. According to some local businesses, until these problems are adequately addressed through physical improvements and increased activity, it will be difficult to attract more visitors—and residents—Downtown.

Chain Stores

One of the unique characteristics of Downtown is the relatively few national chains that are apparent from the street. Most of the shops are locally owned and operated, and it has always been that way. There are a number of national chain stores in the 5th Avenue Mall, but their presence is not visible outside the doors. What this provides to some residents and visitors alike is a sense of place, a sense that Anchorage is not the same town as one sees elsewhere and that the shopping and dining will be more authentic. Others, including some Downtown merchants, say that it shows the Downtown area is economically distressed and unprofitable compared to other parts of town.

Public Transit

Many of the Downtown retail sector employees use public buses to commute to and from work. Perhaps 40 percent of employees at the 5th Avenue Mall and 20 percent of restaurant sector workers are public bus users (Karcz 2005). These numbers are large and suggest that public buses into and out of Downtown are very important. Increases in public transit options including more routes and frequency of service will no doubt increase visits to Downtown and thereby increase retail activity.

Supply Assessment- Downtown Market Segments

Relative to the retail/entertainment sector, the study area is divisible into four market segments:

- The central Downtown core
- The curve sub-area surrounding the core on the north, west, and south
- The sub-area to the east of the core
- The northern portion in Ship Creek basin below the bluff

Merchants in each of these areas serve different customer bases, and access is different to each sub-area, resulting in distinct groupings of retail types.

Five broad categories of retail establishments exist in the Downtown area: tourism related, high-end retail, general purpose, entertainment venues, and eating establishments. Again, each serves different customer groups, and therefore is more likely to be found in certain sub-areas and not in others.

Table 26 presents a listing of retail establishments in the study area in 2004. The total number of establishments and employees for each is presented as well as the number of establishments in each sub-area. Due to data collection methodologies, total employment for major hotels includes employment for many of the retail shops that are co-located within them.

What is not presented in the table is the Weekend Market and summer sidewalk vendors. There are 270 vendors on Saturday and from 200-250 vendors on Sunday who sell food, tourist gifts, art, and miscellaneous goods at the Weekend Market. There are 12 sidewalk vendor permitted locations within the core sub-area where stands typically offer either tourist gifts or food and beverages. There is overlap in numbers of establishments between the Weekend Market and Downtown merchants but smaller overlap in terms of retail categories (EPS, 2005). Food and beverage, tourist gifts, clothing, and art dealer categories account for about

75 percent of the store overlap. Though significant to those merchants affected, only a subset of merchants in the Downtown retail sector is experiencing competition from the Weekend Market.

The Downtown core area encompasses the major hotels and office buildings and contains the major entertainment and retail shops. This area is visited by virtually all persons who come to the Downtown area, and the mix of businesses typifies the varied customer base. Primary store access is by foot either from hotels, offices or parking locations. The core area contains almost two-thirds of the Downtown retail establishments. Shops and venues frequented by tourists are even more likely to be located in this sub-area as are food and beverage establishments, clothing stores, and museums.

Table 32. Number of Retail Establishments by Sub-Area

Type of Establishment	Total Number of Establishments	Total Employment	Core Area	Curve of Core	East of Core	Ship Creek
Art Dealers	15	50	8	7		
Bars	17	240	12	2	3	
Beauty Supplies	2	15	2			
Books & Magazines	6	19	5		1	
Building Materials	2	5				2
Car Dealers	5	168			5	
Caterers	2	50	2			
Clothing	22	322	19	2	1	
Coffee Shop	6	6	3	1	2	
Convenience	3	5	2		1	
Department Stores	3	628	3			
Electronic & Photographic	4	18	4			
Entertainment Groups	6	39	5	1		
Food and Beverage	35	169	26	4	5	
Gasoline Stations	2	26			2	
Health & Fitness	3	19	1	2		
Hobby	2	8	2			
Home Furnishing	3	4	3			
Jewelry	5	20	4	1		
Liquor	1	5		1		
Misc Entertainment	2	1		2		
Misc Retail	2	5	1		1	
Misc Retail Services	2	27		1	1	
Museums	4	44	4			
Musical	2	19	1		1	
Office Supplies	1	28			1	
Optical Goods	4	7	2	1	1	
Restaurants – liquor	28	639	15	6	7	
Shoes	5	53	5			
Specialty Food	5	47	4	1		
Sporting Goods	6	65	4	1	1	
Tire Dealers	2	24			1	1
Tourist Gifts	19	158	15	3	1	
Used Goods	1	2		1		
Wholesale	15	392	5	3	2	5
Total Retail	242	3,327	157	40	37	8
Total Retail, non-Hospitality	151	2,218	97	27	19	8

Source: Municipality of Anchorage., Municipal Property Appraisal Division. Assessor's Data as requested by Northern Economics.2005

Note: Employment for some of the establishments in hotels, especially hospitality related, are accounted for under accommodations.

The curve sub-area primarily serves Downtown workers, tourists and those going to restaurants. The retail establishments in this area have many similarities to those in the core, but are much fewer in number. Access to this district is as for the core although there is less pedestrian traffic and not as much automobile through traffic, either. The retail sectors that are stronger in this sub-area include art studios, coffee shops, and health clubs. A number of the shops are associated with the two major hotels located within the sub-area, the Captain Cook and Marriott.

The sub-district to the east of the Downtown core is accessed primarily by car although there are several hotels that provide pedestrian traffic. The major customer base is local residents. Fewer overall retail shops are in this sub-area than the previous two, with disproportionate numbers of bars, building materials stores, gas stations, car dealers, specialty merchandise stores (music, tobacco, knives, electronic parts, and so forth), an Office Depot, and an assorted number of less obvious businesses. This sub-area is almost physically separated from the core and curve sub-areas by imposing office and retail buildings with pedestrian unfriendly exteriors and design. The area has languished economically since the end of the 1980s building boom. New buildings such as the Office Depot, FBI building, and, to a lesser extent, Fire Station 1, all discourage foot traffic along the sidewalks from the retail core to this area. Buildings in the sub-area generally appear not as well maintained as those in sub-areas to the west. Until these issues are solved or new, pedestrian-friendly and conducive routes are established, this retail area will continue to be isolated from the rest of Downtown relative to retail services.

The Ship Creek sub-area is physically separated from the remainder of the study area by a sloping bluff and limited access routes. It is a predominately industrial area with wholesalers and vacant or empty properties. The sub-area has few retail outlets at this time with the only customer-oriented ones associated with observation points along Ship Creek by the Comfort Inn. Only eight retail businesses are registered in this sub-area, about three percent of the area total. There is almost no traffic to this area that is not destination oriented. The Ulu Factory, established there several years ago, runs a shuttle bus from 4th Avenue in order to generate customer flow, and the Comfort Inn hotel provides some local customer base. However, until there is more foot traffic and/or another destination for visitors in the area, there are unlikely to be more customer visits.

Within each sub-district there seem to be distinct patterns of pedestrian traffic that have strong bearing on the distribution of specific retail types. For instance, most local visitors to the 5th Avenue Mall and two adjacent department stores enter via parking garages, bus, or nearby parking spots. This traffic pattern means that most shops selling high-end retail goods to local customers are inside the mall rather than along its periphery or even a block away. This is not the case for those shops selling art, certain specialty goods, and food or drink.

Tourism-related shops are concentrated largely near hotels in the commercial center of town. This area is bounded primarily from the Captain Cook Hotel to the 5th Avenue Mall and between 3rd and 6th Avenues. Typical shops in this category carry Alaskan place-name souvenirs, clothing, and knick-knacks. Shops include traditional storefronts, summer street vendors, and the adjacent summer market. There are also a number of tour operators and some travel agents who have established store fronts. Related but crossing over to higher-end retail are shops that sell Native Alaskan *objets d'art*, other art products by Alaskan artists, book stores, and gold, gem and fur boutiques. These latter stores are often frequented by local residents, especially at Christmas time.

High-end retail stores include many of the aforementioned art, book and resource stores and a number of chain stores, including most of those in the 5th Avenue Mall. These stores cater to both visitors and residents, with the specific distribution varying between store, merchandise and season. There are also several furniture, clothing, antiques, and accessory stores whose clientele are primarily local residents or those from elsewhere in-state. The number of these stores Downtown seems to have grown in recent years with the addition of art stores but not other types. Retail sales in the 5th Avenue Mall have risen since new ownership took over in 1998, but management suspects that growth is due to taper off in the near future.

Without a sales tax it is difficult to accurately measure retail sales in Downtown stores in a non-confidential manner. However, discussions with merchants in the 5th Avenue Mall and in the tourist gift industry suggest that sales are in the neighborhood of \$400 to \$425 per square foot annually. These are very different markets with different customer bases and seasons. The mall is busy much of the year, serving mostly locals and in-state visitors in the winter, and those groups plus tourists in the summer. However, few shops other than some clothing and sports stores appeal to all these customer groups.

The projections for population, tourism, convention and business growth all suggest relatively steady increases over the next 20 years. Most recent projections for the Anchorage Long-Range Transportation Plan estimate an annual increase of 0.76 percent in retail employment through 2025. This will result in a total increase of 19 percent in retail employees. For the study area, this translates into an increase of 400 employees to a total of 2,505 non-hospitality related retail employees at the end of the time period. Space use per retail employee is measured by comparing property assessment records and employment data. These combined data show that at this time space usage per each non-hospitality retail employee is 396 square feet. Assuming this ratio continues, an increase of 158,400 square feet of retail space will be utilized by 2025 across Downtown. This amounts to a 25 percent increase over current retail utilization. Data from the Alaska Department of Labor and Workforce Development show that the number of retail establishments in both Downtown Anchorage and the rest of the city were essentially stable between 2000 and 2004. At the same time, retail employment in all of Anchorage was relatively flat between 2000 and 2004, while Downtown retail employment increased by a compound annual growth rate of roughly four percent. Thus, these data would seem to predict that demand for retail space in Downtown Anchorage will grow at least as quickly as, and perhaps a little faster than, demand for space in the rest of Anchorage. Such demand could be blunted by a lack of supply or lease rates, which could force businesses that would prefer to locate Downtown to other parts of Anchorage.

Comparing Downtown Retail with the Rest of Anchorage

The study compared the data presented in Table 33 to data from the 2002 U.S. Economic Census to determine how Downtown Anchorage compared to the rest of Anchorage with regards to retail and restaurant establishments. This analysis compared both employment and the number of establishments. Considered in terms of the number of establishments, Downtown Anchorage has more general merchandise (e.g., Nordstrom), misc. retail (e.g., gift shops), clothing, and food and beverage stores, and fewer gas stations and restaurants than would be expected based on the distribution of retail and restaurant establishments in Anchorage according to the 2002 U.S. Economic Census (U.S. Census Bureau, 2005). As one might expect, the Downtown area also has fewer motor vehicle and automobile parts dealers and building material stores (See Table 33).

Differences in the number of individuals employed by establishment type tend to track differences in the number of establishments by type. The greatest differences in employment are in the general merchandise stores and restaurant groups. Given that Downtown Anchorage has more general merchandise stores than one would expect from the distribution of these stores in the rest of Anchorage, the area also has more employment in this category. Similarly, there is less restaurant employment in Downtown as there are fewer restaurants than one would expect.

**Table 33. Employment and Establishments in Downtown Anchorage (2005)
vs. the Municipality of Anchorage (2002).**

NAICS	Establishment Type	Downtown 2005		Anchorage 2002		Differential	
		Emp. % of Total	Est. % of Total	Emp. % of Total	Est. % of Total	Emp. % +/-	Est. % +/-
441	Motor Vehicles and Parts Dealers	5.8	2.9	9.6	8.1	-3.8	-5.2
442	Furniture and Home Furnishing Stores	0.1	1.2	1.7	4.0	-1.6	-2.7
443	Electronic and Appliance Stores	0.5	1.7	1.2	2.2	-0.6	-0.6
444	Building Material and Garden Equipment	0.2	0.8	4.4	4.9	-4.3	-4.1
445	Food and Beverage Stores	6.8	18.2	9.5	6.2	-2.7	12.0
446	Health and Personal Care Stores	1.2	3.7	1.6%	3.1	-0.4	0.7
447	Gasoline Stations	0.8	0.8	2.9%	4.8	-2.2	-4.0
448	Clothing and Clothing Accessory Stores	11.9	13.2	4.5%	7.5	7.4	5.8
451	Sporting goods, hobby, book, and Music Stores	3.3	6.6	3.4%	6.0	-0.1	0.6
452	General Merchandise Stores	30.7	7.4	16.6%	1.2	14.1	6.3
453	Miscellaneous Store Retailers	8.1	16.5	3.8%	10.3	4.3	6.2
454	Nonstore Retailers	0.0	0.0	1.1%	2.9	-1.1	-2.9
712	Museums	1.3	1.7	0.7%	1.8	0.6	-0.1
722	Restaurants and Food Service Establishments	29.3	25.2	39.0%	37.1	-9.7	-11.9
Total		100.0	100.0	100.0%	100.0	N/A	N/A

Source: Estimates based on Municipality of Anchorage., Municipal Property Appraisal Division. Assessor's Data as requested by Northern Economics, 2005 and U.S. Census Bureau, 2002 Economics Census of the United States, 2005.

Note: Shaded cells indicate a statistically significant difference between Downtown Anchorage and the Municipality of Anchorage as determined by a Chi-Square Distribution test.

When estimated on a sales-per-employee basis, the estimated sales Downtown are very close to what one might expect based on the portion of Anchorage retail establishments located Downtown. Overall, Downtown represents an estimated 13.4 percent of Anchorage retail establishments and an estimated 11.3 percent of all Anchorage retail sales (see Table 34). While this difference may seem substantial, it is well within the error margin for this estimation technique, which does not account for the economies associated with store size (e.g. larger stores may have more sales per employee than smaller stores).

While as a whole Downtown attracts approximately the same level of sales that one might expect from the number of establishments located there, some individual retail sectors differ markedly from what one might expect based on the number of establishments. For example, with this employee-based method, the analysis estimates that motor vehicle and auto parts dealers, gas stations, clothing stores, museums, and miscellaneous store retailers (which include gift shops) generate more income than would be expected given the number of establishments in Downtown. At the same time, furniture stores, electronics stores, food stores, book and music stores, health stores, and general merchandise stores do not generate as much in the way of sales in the Downtown area as they might in other parts of town. Other categories do about as well as expected. These data could be interpreted as hinting that if a store is a relatively rare type for Downtown (e.g. auto parts dealers and gas stations) or if a store is related to the tourist trade (e.g. miscellaneous retail stores, museums, clothing stores), then the store can do quite well Downtown, but if the store sells items of greater interest to locals (general merchandise, furniture, electronics) then the store might do better in other parts of town. If this interpretation is correct, then it reinforces the idea that Downtown businesses face a highly competitive environment where shops in other parts of town capture the local dollar.

Table 34. Downtown Retail Sales vs. Retail Sales in Anchorage

NAICS	Establishment Type	Number of Employees	U.S. Census-Sales per Employee	Estimated Downtown Sales (\$000s)	Total Sales in Anchorage (\$000's)	Percent of Anchorage Sales	Percent of Anchorage Establishments
441	Motor Vehicles & Parts Dealers	192	\$422.74	\$81,165	\$1,206,912	6.7	4.6
442	Furniture & Home Furnishing Stores	4	\$202.47	\$810	\$103,056	0.8	4.1
443	Electronic & Appliance Stores	18	\$316.85	\$5,703	\$110,899	5.1	9.8
444	Building Material & Garden Equipment	5	\$224.82	\$1,124	\$296,767	0.4	2.2
445	Food & Beverage Stores	226	\$191.03	\$43,173	\$542,530	8.0	38.3
446	Health and Personal Care Stores	41	\$139.25	\$5,709	\$68,094	8.4	15.8
447	Gasoline Stations	26	\$331.83	\$8,628	\$290,687	3.0	2.2
448	Clothing and Clothing Accessory Stores	395	\$151.34	\$59,781	\$203,708	29.3	23.0
451	Sporting goods, hobby, book, & Music Stores	111	\$147.22	\$16,341	\$149,719	10.9	14.3
452	General Merchandise Stores	1020	\$245.60	\$250,515	\$1,215,490	20.6	81.8
453	Miscellaneous Store Retailers	270	\$120.88	\$32,637	\$138,042	23.6	20.8
712	Museums	44	\$78.67	\$3,461	\$16,206	21.4	12.1
722	Restaurants & Food Service Establishments	975	\$51.10	\$49,823	\$594,295	8.4	8.8
Total/Weighted Average		3327	\$167.98	\$558,871	\$4,936,405	11.3	13.4

Source: Estimates based on Municipality of Anchorage., Municipal Property Appraisal Division. Assessor's Data as requested by Northern Economics, 2005 and U.S. Census Bureau, 2002 Economics Census of the United States, 2005.

Recommendations

With the new Civic and Convention Center there will be co-development opportunities for small specialty retail and services, such as a specialty grocery store. There also is an opportunity for ground floor retail in the new parking structures. Other opportunities include:

- Improve communication and coordination between Downtown merchants and the Weekend Market.
- Develop joint Downtown marketing campaign between Downtown businesses and weekend Market.
- Strengthen selection criteria for Weekend Market vendors to focus on goods with unique Alaska orientation.
- Improve physical linkage between Weekend Market and Downtown through urban design measures.
- Designate a bus loading area to encourage cruise passengers to experience Downtown rather than allow shuttles to take visitors out of Downtown.
- Develop districts such as the SoNo Boutique District and the Arts District. Build on events like First Friday.

The Anchorage Downtown Partnership plays a vital role in addressing the concerns of property and business owners Downtown, especially those within the DID. It will take the coordination of several agencies, not just ADP, to address these issues:

- Respond to the local belief that parking needs to be immediately adjacent to stores. Share lots during off-hours.
- Address blighted or unsafe areas, including parking lots with poor lighting and security.
- Address homeless and safety issues.
- Address the homeless problem around bus depot.
- Bars' late night noise affects hotel guests. The liquor licenses Downtown might be a conflict with increasing housing.
- Reassess how building code and regulations can ensure that quality and character are integral to Downtown development.

7.4.3 Office Market Assessment

Over the past several years the market for commercial office space in Anchorage has been strong, as employment levels have grown, and the availability of low interest loans for purchasing land and building office buildings has attracted investors. The growth in office space has been focused primarily in Midtown. The preference towards Midtown is related to the lower cost of land (relative to Downtown), the central location, and free parking. Midtown is an area of Anchorage located approximately one to two miles south of Downtown. No new private commercial office space development has occurred in the Downtown study area, although some government office space has been constructed. According to local commercial real estate experts, the market for the Downtown office space has been flat, meaning that there hasn't been growth in the amount of office space demanded in the Downtown area, although there have been some business offices who have chosen to relocate from Downtown to Midtown.

Employment levels are expected to increase in the Downtown study area, but the majority of growth will likely occur in positions related to the retail industry, the hospitality industry (hotel and restaurant positions), and public service and administration positions. Although additional commercial office space will be needed to support the growing Anchorage workforce, it is likely that this growth will continue to occur in Midtown given the market preferences.

Regional Office Market Conditions

Demand for office space is driven by employment in positions that require office space. Table 35 describes employment levels for the MOA for 2003 through 2006. The values for 2003 and 2004 were reported employment levels, while 2005 and 2006 are projected employment levels. Areas of high employment growth are manufacturing, natural resource extraction, and health services. Overall, total non-farm employment is expected to grow by 0.7 percent annually over this short time period. Government is expected to grow slower over this four year period, by an annual average increase of 0.4 percent.

These employment projections indicate that high growth occupations in the next year are concentrated in industries that do not require a commercial office setting but rather may require construction of manufacturing or health services space.

Table 35. Projections of Employment by Industry for the MOA, 2003 through 2006

	2003	2004	Projection		Average Annual % Change
			2005	2006	
Total Non-farm Wage and Salary	142,300	144,400	146,500	148,700	0.7
Goods Producing	12,500	13,000	13,200	13,400	1.2
Service Providing	129,800	131,400	133,300	135,300	0.7
Natural Resources and Mining	2,100	2,100	2,200	2,300	1.5
Oil & Gas Extraction	2,100	1,900	2,000	2,200	0.8
Construction	8,600	9,200	9,300	9,100	0.9
Manufacturing	1,800	1,700	1,700	9,300	31.5
Trade, Transportation, and Utilities	32,900	33,000	33,300	33,600	0.4
Wholesale Trade	4,600	4,700	4,700	4,700	0.4
Retail Trade	17,300	17,300	17,500	17,700	0.4
Transportation/Warehousing/Utilities	11,000	11,000	11,100	11,200	0.3
Information	4,500	4,400	4,400	4,400	-0.4
Financial Activities	8,800	9,000	9,100	9,200	0.6
Profession and Business Services	15,900	16,100	16,400	16,800	0.9
Educational and Health Services	17,600	18,400	19,000	19,500	1.7
Leisure and Hospitality	14,600	14,700	14,900	15,200	0.7
Other Services	5,600	5,800	5,900	6,000	1.2
Government	29,900	30,000	30,300	30,600	0.4
Federal	9,700	9,700	9,700	9,700	0.0
State	9,600	9,600	9,800	9,900	0.5
Local	10,600	10,700	10,800	11,000	0.6

Source: Alaska Department of Labor, 2005.

There are three areas within the Anchorage Bowl identified as employment centers by the *Anchorage 2020*, including Downtown, Midtown, and the University-Medical District. Since the 1990s, Midtown has experienced significant growth in the number of businesses located in this district (Stephens, 2005). It has become a very popular location for commercial office development, given affordable land and office space, as well as parking. Midtown is considered a more centralized and convenient location than Downtown Anchorage, given that many Anchorage residents live on the East and South sides of Anchorage. Midtown is a closer commute than Downtown. Downtown Anchorage parking costs may be considered expensive by some businesses. There is the perception that there is a lack of parking in Downtown Anchorage, which again enhances the attractiveness of the Midtown office location.

According to Anchorage commercial real estate experts, Midtown is out-competing Downtown in the office space market. Midtown offers nicer (newer) buildings, free parking, and short commutes for the majority of workers. Several companies have built new buildings in Midtown in the past five years including Arctic Slope Regional Corporation, Centerpoint, 3000 C Street, Chugach Alaska, Alaska USA, and Residential Mortgage.

Prudential Jack White Real Estate of Anchorage completes a quarterly commercial office space survey assessing office space vacancies and leasing rates (Prudential Jack White Real Estate, 2005). Over the past few years, office space vacancy rates have fluctuated between a high of approximately eight percent in July 2003 and April 2005, to a low of five percent in January 2003 and less than five percent in July 2004. In the second quarter of 2005, the office space vacancy rate decreased from 8.2 percent to 6.7 percent. The vacancy rate for Class A space was 5.6 percent and the vacancy rate for Class B space was 10.4 percent. The overall rental rate

increased from \$2.09/square foot to \$2.10/square foot, while class A office space averaged \$2.33 to \$2.37/square foot and Class B office space averaged \$1.75/square foot.

Downtown Office Market Conditions

According to Anchorage commercial real estate brokers and discussions with municipal tax assessment staff, the market for commercial real estate in the Downtown study area has remained steady, experiencing little or no growth. As indicated previously, Midtown has become the center of commercial office activity. Land is more expensive in Downtown than Midtown and lease rates for “ready to use” office space tend to be 10 percent less expensive in Midtown than Downtown (Thon, 2005).

A detailed look at Midtown and Downtown Class A office space shows an overall vacancy rate of only 2.9 percent when just last January it was about 9 percent (Anchorage Daily News, Chris Stephens CCIM, October 2005). The vacancy rate for Midtown Class A is 2.6 percent, with only 68,000 square feet vacant out of an inventory of 2.6 million square feet. Downtown has a vacancy of about 50,000 square feet—40,000 square feet in the Key Bank Plaza Building across Fifth Avenue from the Performing Arts Center—out of an inventory of about 1.5 million square feet.

Since 2002, Anchorage has added 616,000 square feet of Class A office space in seven buildings in Midtown and one Downtown (ADN, Stephens, 2005). Anchorage has absorbed about 500,000 square feet during that time.

The market's absorption of this new space has primarily come from growth of existing businesses, and some new businesses coming to town. The most prevalent growth is engineering companies, reflecting the large amount of construction of all types taking place, not only in Anchorage but all of Alaska. Businesses of all types are growing and need more space.

Construction costs have increased over the past several years, and the lease rate required to support new construction is about \$3.25 a square foot or more (ADN, Stephens, 2005). According to commercial real estate specialist Chris Stephens, CCIM, few companies are willing to pay that high a lease rate in Anchorage.

The possibility of construction of a natural gas pipeline from Prudhoe Bay, or the Arctic National Wildlife Refuge being opened to oil exploration, with such a low vacancy rate and healthy underlying economic growth, could further increase office space demand. This will add pressure to rising rates, and more new construction will be likely.

Figure 5 shows office space by type of office in Downtown Anchorage, as described in the MOA Assessor’s property database. Most existing commercial office space within the Downtown study area is within high rise buildings.

Figure 5. Office Space by Type

Type of Office Space	Square feet
Bank	16,064
Medical office building	27,986
Office building high rise (five levels)	1,847,913
Office building-low rise (one to four levels)	44,322
Office/warehouse mix	25,944
Grand Total	1,962,229

Source: MOA Assessor’s Office, 2005

Although employment growth will occur in the Downtown study area, it is likely that most employment growth in the Downtown study area will be related to retail and hospitality employment.

Based upon the Anchorage Long Range Transportation Plan, employment growth in Anchorage is expected to occur in the three major employment centers: Midtown, Downtown, and University-Medical District (MOA, 2002). Based upon projections completed for the Anchorage Long Range Transportation Plan, Midtown is expected to add 9,840 new jobs by 2025, Downtown will add 5,225 by 2025 (approximately 3,350 of these within the Downtown study area), and the University-Medical District will add about 3,310 (Municipality of Anchorage Transportation Planning Division, 2004). It is likely that some of these positions will be in commercial office settings, although the allocation is not known.

According to Alaska Department of Labor employment data collected, there are approximately 5,650 employees that work in office settings within the Downtown study area, excluding those that work in public administration positions (ADOL, 2005 and NEI, 2005). Based upon value and the total office space, each employee accounts for approximately 350 square feet of office space. Therefore, even if growth in office-based employment occurs at the one percent level, this would equate to approximately 56 new employees and a demand for almost 20,000 square feet of office space. If growth occurs at the five percent level, this would equate to roughly 280 new employees and the need for 98,000 square feet of new office space.

A new trend that may occur in the commercial real estate market is the redevelopment of old or less appealing buildings for use as commercial office space. This strategy may become more common as the inventory of buildable lands shrinks and the commercial real estate market stays strong. This situation may also lead to consideration of redeveloping sites in the Downtown study area, and a new desire for commercial office space in the Downtown.

Recommendations

There seems to be low demand for commercial office, except for government/office, property in the Downtown study area. According to tax assessor reports, rental rates do not justify new construction of commercial office space Downtown; tenants (or lack thereof) drive decisions for commercial office located Downtown. Midtown is currently out-competing Downtown in the office space market. Midtown comes with nicer buildings, free parking, and shorter commutes for the majority of workers (who are based in East/South Anchorage). Market prices don't reflect the increased demand, probably because of increased supply as companies have built several new buildings in mid-town in the past year. With a midtown rental, the walking environment is lost but free parking is gained. The perception of inadequate parking is an issue in considering market demand for commercial/office in the Downtown study area.

Lease rates have been down, but may begin to tighten slightly as the current construction boom for office space finishes its cycle and the market absorbs excess properties. The market is slow but steady. Current lease rates are \$2.25-\$2.75 per sq. ft. for Class A office/retail space. There is no difference between midtown and Downtown. Current lease rates are \$1.25-\$2.00 for Class B office space.

To address these issues, it is recommended:

- Develop market strategy for parking Downtown.
- Encourage mixed use development that includes office space above ground floor retail.
- Enforce policy in Anchorage 2020 to locate civic and public facilities and government office in the Downtown area.
- Address higher costs of construction Downtown through rehabilitation building code and financial incentives such as construction loan packages.

7.4.4 Hotel Market Assessment

Hotel and hospitality-related services have long been a staple of the Downtown study area economy. Anchorage is nine hours by air to 95 percent of the world's industrial population, and is the gateway into and out of the state. Almost all flights to and from Alaska go through Anchorage. In 2004, over 2.2 million individuals deplaned here (Ted Stevens Anchorage International Airport, 2005). Another 0.4 million passed

through in transit. Besides being a transportation hub for the State of Alaska, Anchorage attracts visitors to the many activities, services, and attractions located in or near the Anchorage Bowl. In 2004, approximately 900,000 people visited Anchorage (Anchorage Convention and Visitors' Bureau, 2005). Anchorage is growing as a desirable convention destination. For example, in September 2005, over 2,500 members of the American Fisheries Society (AFS) attended their annual convention in Anchorage, the largest turnout ever experienced by AFS.

Any discussion of the hospitality and leisure sector in Anchorage must take into account some of the unique characteristics and attributes of traveling in the state. Alaska's huge size, geographic isolation, arctic climate, and vast roadless expanses make it unlike any other state. Seattle is a three-hour flight or a 2,400 road trip away. Many communities, nearly 30 percent of the population, including Juneau, the state capital, are not connected to the road system. As a result, many residents travel to Anchorage for medical treatment, shopping, business activities and meetings, sporting events, and other recreational activities. Because of geography and lack of road connections, resident travel in Alaska requires more overnight stays in hotels than comparable travel elsewhere.

An energized tourism industry, extensive resident in-state and out-of-state travel, and a growing air cargo business all contribute to making Anchorage's airport five times larger than you would expect to find in a city with a 2004 estimated population of 277,498 residents. A \$408 million redevelopment project including a new C Concourse and rail connection project was recently completed at the Ted Stevens Anchorage International Airport. In addition, the airport plans to spend more than \$436 million on airport improvements during the next four years, including a \$143 million remodel of the A and B concourses in the main terminal. A private developer is building a \$57 million, four-story parking garage for eight car-rental companies. The building, scheduled to be completed in 2007, will be paid for through an increase in rental-car customer fees.

Hospitality Trends

The Anchorage and Alaska hospitality industry had a quick turn-around from the nationwide decline in travel that occurred after the terrorist attacks of September 11, 2001 and the national recession. In spite of security concerns, travelers' preferences to travel within the U.S. and to places viewed as "safe" helped make Alaska, and in turn, Anchorage, a popular destination. The weakened U.S. dollar further encouraged international travelers to visit Alaska. According to the Anchorage Convention and Visitor's Bureau (ACVB) 2004 Annual Report, hotel room occupancy in Anchorage increased by 3.6 percent, and room revenues increased by six percent between 2003 and 2004. The number of cruise passengers traveling to Anchorage increased by nine percent between 2003 and 2004, and car rental revenues increased by 9 percent during the same period (ACVB, 2005). Alaska receives twice as many visitors as it has residents.

Travel and tourism is a staple of the Alaska economy. Alaska as a whole received more than 1.4 million summer visitors in 2004 compared to 1.3 million in 2003 (NEI 2005). According to the president of the Alaska Travel Industry Association, estimates for this past summer are 1.5 million visitors. Out-of-state visitors are estimated to have spent around \$1.5 billion in the state in 2002, the most recent figure available (NEI, 2002).

For the past 20 years or so, the cruise and accommodation industries have been the driving force behind the tourism sector of both the Anchorage and Alaska economies. (Jinneman, Kennedy, & Mohn, P.S. 2004). In the summer of 2004, approximately 712,400 individuals arrived in Alaska via a cruise ship (NEI 2005). Another 162,800 visitors arrived by some other transportation mode and cruised south from Whittier, Seward, or Skagway. The Alaska cruise industry is divided into two sectors. Some ships travel roundtrip from Washington State or Vancouver, B.C. through Southeast Alaska port of calls. Another group cruises one way either north or south through the Gulf of Alaska. Passengers cruise north, disembark in Seward or Whittier and then fly home from Anchorage's airport. Another group flies into Anchorage, travels by bus or rail to Whittier or Seward and cruises south.

While cruise passenger volumes to Alaska have grown substantially in recent years as new and larger cruise ships are added to Alaska waters, the nature of the industry has changed dramatically, which has had

significant economic impacts for Anchorage. With additional capacity and the lingering effects of a national recession and the terrorist attacks of September 11, 2005, cruise packages were heavily discounted, although they have since appeared to stabilize. However, several factors are contributing to a decrease in positive economic impacts of cruise visitors in Anchorage. The new cruise terminal and rail connection in Whittier shortens the transportation time for cruise passengers traveling to the Anchorage airport. Many of them no longer have to stay overnight or spend the day in Anchorage waiting for their late night or early morning flights. Others are taking a train or motor coach, bypassing Anchorage to head north to Denali, Talkeetna, Copper River, Fairbanks, or Kenai where Princess Cruise lines owns and operates hotels.

One reason the upscale hospitality market showed a decline in 2003 is the fundamental shift in cruise-related demand out of Anchorage. Princess is aggressively marketing its wilderness hotels. Such a shift saves money for the cruise lines, increases the sale of land-tour packages, and addresses market demand for a more “wilderness” experience. Another factor is that more cost-conscious families are also taking cruises and these families spend less on land and shore excursions and on other on-shore purchases. The Anchorage Convention and Visitors’ Bureau is currently working with the cruise lines to try to extend passenger stays in Anchorage to two or three days.

For many years, the Downtown upscale hotels were able to collect a premium from the predominantly leisure-related demand during peak season because of the limited availability of properties. According to Jinneman, Kennedy, & Mohn, P.S., (2004) this shift in cruise demand may be responsible for diverting as many as 20,000 room nights from the Anchorage market in summer 2003.

Besides tourists traveling to Anchorage to see the sights of the city and the natural wonders of Alaska, conventions play a large role in the Anchorage hospitality industry. The number of conventions held in Anchorage increased by 20 percent between 2003 and 2004, with \$89.7 million worth of meetings being held in 2004 (ACVB, 2005). The 2005 convention season may not be as strong because of a “softer spring” and the loss of the Alaska Federation of Natives annual meeting to Fairbanks. AVCB attributes the softer spring to the three to four year time lag in planning major conventions, which means that many 2005 events would have typically been scheduled after September 11, 2001. Construction on a 90,000 square foot addition to the convention complex begins in Spring 2006 and is scheduled to open in 2008.

The leisure and hospitality sector of the economy is composed of the food service industry, the accommodation industry, and a loose grouping of employers called arts, entertainment, and recreation. Across the U.S., two thirds of leisure and hospitality employment can be attributed to food services and only 15 percent to accommodation. However, Alaska’s greater reliance on tourism means that while half the sector’s employment is tied to food services, another one third is tied to accommodations (Fried and Windisch-Cole 2004). As the U.S. population continues to age, private travel for both business and pleasure is expected to increase.

Anchorage and Downtown Hotel Market

The building boom in hotels in Anchorage and in the Downtown study area suggests a robust market and steadily growing demand for hotel rooms. The number of people visiting Anchorage and subsequently the hotel occupancy is higher during the summer months than the winter months; in June through August occupancy rates are typically been 85 to 90 percent while in the winter time occupancy rates slipped to 45 to 60 percent.

Anchorage has a variety of hotels located throughout the city, but largely concentrated in three areas: Downtown, Midtown around A and C Avenues, and near the Ted Stevens International Airport. All of these areas are a relatively short drive from each other (approximately 10 to 15 minutes), and many business and independent travelers do not base their decisions solely on geographic location.

Downtown Anchorage offers a variety of hotel choices, from high-end, service oriented hotels that offer many amenities, to hotels that are more basic in their services but are also less expensive. Table 36 shows the hotels that are located within the boundaries of the Downtown study area. Currently, there are 21 hotels and 3,407 hotel rooms in the Downtown study area. Table 36 also describes the amenities offered by hotels in the

Downtown study area. Many of the hotels offer a variety of services, catering to both business guests that may need high-speed internet access and conference rooms and guests that desire pools, Jacuzzis, and exercise options. Many of these hotels experience very high occupancy rates in the summer and whenever major conventions are in town. This list does not include the remodeled hotel on the edge of the Downtown study area, the Inlet Towers with 180 rooms that advertises itself as a premier boutique hotel. While the Inlet Towers is within walking distance of Downtown it is just outside the study area.

Table 36. Downtown study area Hotels

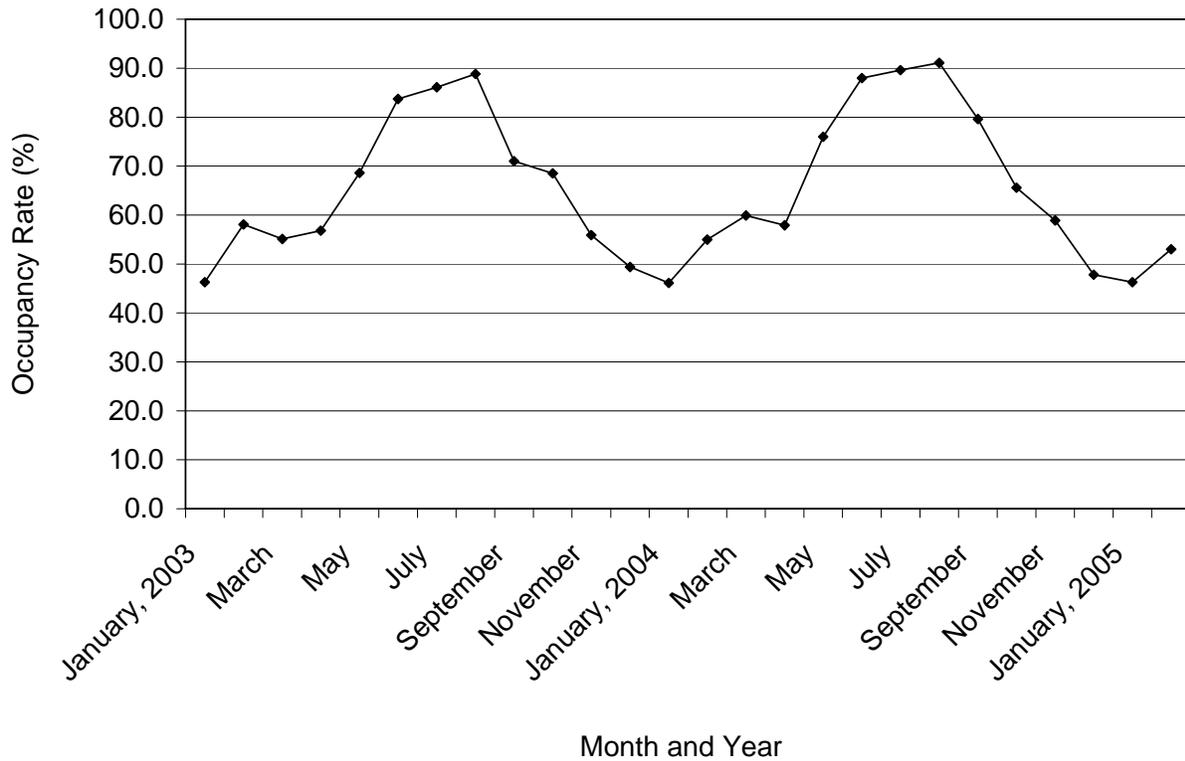
Hotel Name	Address	No. of Rooms	Winter Rate	Summer Rate	Amenities
Voyager Hotel	501 K Street	38	\$89	\$169	Smoke free, large rooms (mini-suite), galley kitchen, broadband internet access, air conditioning, deluxe private bath
Captain Cook Hotel	5th At K Street	547	\$145	\$245	Men's and Women's clothing store, fine jewelry, gift shops, an art gallery, sundries and a café espresso shop, maid service, meeting rooms, in house catering staff
Hawthorn Suites	1110 West 8th Ave	112	\$99	\$220	Full/efficient kitchens, exercise facilities, guest laundry and valet service, hot complimentary breakfast, business services, indoor pool/spa, espresso/juice bar, meeting rooms
Anchorage Downtown Hotel	826 K Street	17	\$69	\$129	High speed internet access, mini refrigerator, jetted tubs in suites.
Marriot Downtown	820 West 7th Ave	393	\$179	\$259	Restaurant, pool, fitness center, bar and lounge, safe deposit box, room service, laundry/valet service
Anchorage Grand Hotel	505 West 2nd Ave	30	\$89	\$204	Data port w/ high speed internet access, full size gourmet kitchen, separate living/bedroom areas, coffee makers, microwaves, irons/ironing board, business center
Ramada Hotel	115 East 3rd Ave	91	\$69	\$209	Free shuttle and parking, continental breakfast; business center, gym, meeting space, and in-house bar with summer deck overlooking Mt. Susitna.
Comfort Inn	111 West Ship Creek Ave	100	\$80	\$179	Jacuzzi suites, kitchenettes, shuttle service, continental breakfast
Econo Lodge	642 East 5th Ave	41	\$80	\$115	Laundromat, continental breakfast, refrigerator
Anchor Arms Motel	443 Eagle Street	44	\$86	\$86	Personal bathroom, fully equipped kitchenette, telephone, onsite laundry
Alaska Budget Motel	545 East 4th Ave	24	\$39	\$69	Community microwave and coffee kitchen, fax, email, photocopier, bike/luggage storage
Sheraton Hotel	401 East 6th Ave	375	\$139	\$209	High speed internet access, maid service, room service, refrigerator,
Day's Inn	321 East 5th Ave	130	\$59	\$199	Conference room, business rooms,
Westmark Hotel	7201 West 5th Ave	198	\$80	\$229	Bar and grill, sushi bar, room service, banquet/meeting rooms, private balconies, high speed wireless internet
Howard Johnson Plaza	239 West 4th	250	\$69	\$159	Exercise room, indoor pool, dry cleaning,

Hotel Name	Address	No. of Rooms	Winter Rate	Summer Rate	Amenities
Hotel	Ave				data ports, wireless internet, laundry facilities
Anchorage Hotel	330 E Street	26	\$149	\$209	High speed internet access, full wet bars.
Hilton Hotel	500 West Third Ave	600	\$149	\$212	Fitness room, pool, sight seeing tours, gift shop, baggage storage, laundry and valet service, room service, safety deposit box, business center, meeting rooms
Clarion Suites	325 West 8th Ave	111	\$120	\$220	Banquet meeting rooms, exercise room, continental breakfast, copy/fax machine, indoor heated pool, jogging track/trail, public whirlpool/hot tub, valet cleaning service, wireless internet
Duke's	630 West 8th Ave	28	\$80	\$140	Bar, meeting rooms, business center, wake-up service
Rodeway Inn	720 Gambell Street	70	\$70	\$115	Jacuzzi tubs, restaurant and lounge, free shuttle service to the airport
Aspen Hotel	108 East 8th Ave	89	\$75	\$189	Deluxe continental breakfast, business center, wireless internet, data port for hi speed internet, swimming pool, spa, exercise room, guest laundry service, business center, airport and Alaska railroad shuttle

Source: Alaska Hotels, 2005 and AH&LAHotel.org, 2005.

Figure 6 shows trends in hotel occupancy from January, 2003 through January, 2005. As expected, the number of people visiting Anchorage and subsequently the hotel occupancy is higher during the summer months than the winter months; in June through August occupancy rates are typically been 85 to 90 percent while in the wintertime occupancy rates slipped to 45 to 60 percent.

Figure 6. MOA, Hotel Occupancy, January, 2003 through January, 2005



Source: Smith Travel Research, 2005

Table 37 describes several hotel market indicators by year and month, including number of hotel rooms, occupancy rate, average room price, room supply and demand. Number of rooms is the total number of hotel and motel rooms that exist at the respective month and year. Between January 2003 and January 2005, over 300 additional rooms were added in the Municipality of Anchorage. The 14-story Inlet Tower Hotel, within walking distance of the Downtown study area, received a \$5 million makeover in 2003-2004. Four mid-priced hotels in Midtown came online in 2004. As demonstrated in the table, there is a distinct seasonality to hotel occupancy in Anchorage tax rolls. According to Smith Travel Research, the average room price in June is twice as high as the room price in winter. This differential appears even larger when examining bed tax revenue for the 2,496 rooms the City of Anchorage classifies as upper class. For example, in the first quarter of 2004, \$645,796 in bed tax revenue was collected compared to \$5,044,821 from the same group in the third quarter of the year. As bed tax revenue demonstrates, both the occupancy and the room night price rise during the summer months.

Table 37. Room Occupancy, Supply and Demand in the MOA, 2003 through 2004

Year	Month	Number of Rooms	Occupancy Rate	Average Room Price (\$)	Room Supply	Room Demand
2003	January	6,517	46.3	77.78	202,027	93,522
2003	June	6,623	83.7	154.65	198,690	166,373
2004	January	6,456	46.1	78.14	200,136	92,193
2004	June	6,679	88.0	153.36	200,370	176,401
2005	January	6,824	46.3	78.55	211,544	97,999

Source: Source: Smith Travel Research, 2005

Table 38 shows City of Anchorage bed tax revenues for 2000 through 2004. Bed tax revenues dropped below \$11 million in 2003 because the supply-demand balance tipped for the first time since a similar boom in hotel expansion in the late 1990s. Room prices and occupancy rates also dropped. However, bed tax revenues in 2004 increased 8 percent over bed tax revenues for 2003 as demand increased and room prices leveled off. While hotel prices in the higher end hotels in the Downtown study area have rebounded, they have not returned to the highs experienced in Summer 2001 when the off the street rack rate for a hotel room in Downtown could be well over \$300 per night.

In April 2005, Anchorage residents voted to increase the bed tax rate from 8 percent to 12 percent in order to finance a \$93 million expansion of the William G. Egan Convention Center. The expanded complex will link existing facilities at the Egan Center with a 190,000-square foot addition that includes a 50-thousand square foot exhibit hall, a ballroom, and meeting rooms. The 12 percent bed tax increase takes place in January 2006. Construction on the new center will begin Spring 2006 with an estimated completion date in 2008. Special purpose revenue bonds will be sold on the open market to pay for the expanded civic and convention center complex. A convention has already been scheduled in the new complex. The Aerospace Medical Association will bring 1,600 delegates to Anchorage, May 7 to 13, 2011. This will be the second time that Anchorage has hosted this national convention. Repeat business has been an important characteristic of Alaska's visitor industry.

Table 38. Bed Tax Revenues in the MOA, 2000 through 2004

Year	2000	2001	2002	2003	2004
Bed tax revenues (\$)	11,689,877	11,864,661	11,537,827	10,701,319	11,601,141
Annual percent change	2.3%	1.5%	-2.8%	-7.8%	8.4%

Source: MOA Treasury Division, 2005.

Jinneman, Kennedy, & Mohn, P.S., in their market analysis (2004) categorized hotel market demand into four general categories: commercial, leisure, group and contracts and projected for each of these categories. They concluded that performance in the accommodation industry would continue to deteriorate but begin a gradual rebuilding after 2005, particularly if Anchorage voters approved the bed tax increase for the new convention center, which did happen.

Table 39. Project Hotel Demand for Anchorage

Demand	Percent of Market	Percent of Growth Forecast	Description
Commercial	42	3% during early years gradually decreasing to 2%	Year-round Independent business travelers and state and federal government workers. Tribal government and corporate workers are also an important component. What is not discussed in this study is that historically the segment will stay in the Downtown study area during the winter months, but in other parts of town during peak season
Leisure	30	4% in 2004 followed by 3%	Independent and packaged leisure travelers including a large cruise component concentrated almost exclusively in the summer peak months.
Group	13	4%	Convention and meetings related travel and demand generated by sports teams and school events.
Contract	14	1% growth	Passenger and cargo airline personnel

Source: Jinneman, Kennedy, & Mohn, P.S. 2004. Hotel Market Analysis, Anchorage, Alaska June 2004, prepared for Alaska Industrial Development and Export Authority.

Meeting and Event Space Assessment

Recent increases in hotel inventory and expanding direct airline service make it easier to plan conventions in Anchorage. In the past, the Anchorage convention season generally ran from September 15 through May 15. Anchorage had a unique seasonality in its hotel occupancy that worked well for growing Anchorage's convention business, but this seasonality has also limited expansion into the summer season. Historically, Downtown hotels experience a very high occupancy rate during the summer season because of cruise passengers and other summer visitors. In the 1990s, one of the purposes of attracting out-of-state conventions was to fill hotels during their slow periods, not to displace higher paying tourists and commercial travelers. Now that the hotel room inventory has increased, meetings and conventions can overlap or even occur during the peak summer season.

A large convention or meeting at the Anchorage Civic and Convention Center Complex (ACCC), which includes the Egan Center and a new facility at 7th and F Street, can fill Downtown hotels with attendees, sending other Anchorage visitors to rooms in midtown and the airport area. While midtown has no typical convention hotels, midtown, mid-market hotel rooms provide an alternative for more cost-conscious attendees. Midtown rooms represent about 15 percent of total hotel rooms in the Municipality. Most of them are less than four miles from the ACCC or approximately eight minutes driving time from Tudor and the New Seward Highway. Shuttle service is available from several of these facilities, and large conventions could provide charter bus service to and from the ACCC.

According to a hotel market analysis prepared for the Alaska Industrial Development and Export Authority in June 2004, the "upscale" lodging market in Anchorage currently consists of five hotels: the Hilton, Sheraton, Captain Cook, Marriott, and the Millennium. The first four of this list are located within the Downtown study area, while the Millennium is closer to the airport. All five of these hotels have restaurants, meeting, and banquet space, and compete aggressively for group-related demand. Often a single convention will utilize space at the Egan Center and in a designated conference hotel.

Many convention centers across the U.S. have an attached hotel. This is not the case in Anchorage. However, there are four hotels within walking distance of the convention center that can offer blocks of rooms and have enough space within the hotel to hold meetings and conventions. The head of the Anchorage Convention and Visitors Bureau, which markets Anchorage nationwide, believes another Downtown hotel will come online shortly after the new convention complex opens for business. ACVB believes the new convention center complex will create demand for roughly 1,000 new hotel rooms in Downtown. As demonstrated in Table 40 there are fewer than 2,000 rooms of what are referred to as "upscale" hotels within easy walking distance of the Egan Convention Center. When the AFS national convention with over 2,400 delegates, came to Anchorage in September 2005, all of the Downtown hotels were booked earlier.

Table 40. Anchorage Upscale Hotels

Hotel Name	Address	Number of Rooms	Total Area	Largest Space
Captain Cook Hotel	5th At K Street	547	18,053	9,045
Marriot Downtown	820 West 7th Ave	392	10,309	8,122
Sheraton Hotel	401 East 6th Ave	375	15,730	9,395
Hilton Hotel	500 West Third Ave	606	18,088	7,680
Millennium Alaskan Hotel	4800 Spenard Road	248	4,655	2,685

Table 41. Estimated Direct Economic Impacts of One Convention, Three Sizes

Type of Expenditure	Per Delegate Expenditure	Number of Delegates		
		1,500	2,000	3,000
Lodging (\$)	449	673,500	898,000	1,347,000
Food & Beverage (\$)	311	466,500	622,000	933,000
Recreation (\$)	47	70,500	94,000	141,000
Retail (\$)	113	169,500	226,000	339,000
Local Transportation (\$)	55	82,500	110,000	165,000
Total	\$974	\$1,461,000	\$1,948,000	\$2,922,000

Source: IACNB *ExPact2004: Convention Expenditure and Impact Study*, adjusted for inflation by Northern Economics, Inc.

Recommendations

- ACVB should continue to proactively work with cruise companies to encourage longer overnight stays in Anchorage as part of tour packages
- Work with city, developers of civic and convention center, ACVB, AEDC, Anchorage Downtown Partnership to attract national interest in new hotel
- Implement parking strategy, including construction of new parking facilities
- Coordinate improvements in vicinity of new civic and convention center including pedestrian amenities and Park Strip improvements to enhance areas with carrying capacity for new hotel space
- Anchorage Community Development Authority shall assist in land assembly and site control to anticipate land use requirements for new hotel space
- Adopt rehabilitation code to enable cost effective redevelopment of older properties into low rise, boutique hotels to meet consumer preferences and demand.

8 REGULATORY FRAMEWORK ANALYSIS

8.1 OVERVIEW OF TITLE 21 AND ANCHORAGE 2020 REGULATIONS

The primary regulatory instrument affecting the Downtown area of Anchorage is Title 21 Land Use Planning of the Anchorage Municipal Code. Although many sections of Title 21 are applicable to the Downtown, the principal sections are those that address the three central business zoning districts: B-2A, B-2B, and B-2C (See Diagram 8.1: Existing Zoning). Draft revisions of all portions of Title 21 except for these three zoning districts have been prepared and, at the time of this report, are undergoing public review. The three Downtown zoning districts were not a part of the initial revision of Title 21 because city officials believe they should be integrated into the Downtown Comprehensive Plan project to provide a closer link between policy and implementation.

Although this effort will focus on revised or, more likely, new Downtown zoning districts, it will also examine other parts of Title 21 that might affect the successful implementation of the Downtown Comprehensive Plan. The sign standards and general regulatory provisions are examples. Definitions, including definitions of uses, also will be reviewed. For sections of Title 21 other than those directly addressing the three Downtown zoning districts, the Title 21 Update – Public Review Draft #2, June 2006 – will be the starting point unless it becomes clear that the Downtown regulations are moving ahead of the Title 21 Update.

The three Downtown zoning districts are described below. In general, they regulate uses, lot and yard requirements, building bulk and height, parking, sidewalks, street-level design, screening, loading, refuse collection, and landscaping. A key feature of the Downtown zoning districts is the bonus system whereby building heights may be increased, subject to certain limitations, based on the provision of urban design amenities. The three zoning districts differ primarily in types of uses allowed.

It should be noted that the Downtown regulatory system will be designed to implement the Downtown Comprehensive Plan. The development of this plan has just begun; therefore, it not possible to know at this time how adequate all of the provisions of the existing regulatory framework will be in implementing the plan policies. As the plan is developed, the regulatory system will be continually analyzed to ensure a strong connection between policies and regulations.

8.2 KEY PLANNING ISSUES/CONSIDERATIONS/OPPORTUNITIES

- The current regulatory system has had mixed success in implementing desired Downtown policies – the new system must be designed to implement the key policies of the Downtown Comprehensive Plan.
- The current regulatory system has not produced an overall urban design framework in the Downtown – the new system must provide for some measure of design coherence while allowing for innovation and creativity.
- The current regulatory system is neutral, at best, in allowing and encouraging residential and mixed uses in Downtown – the new system must be conducive to residential uses, which can increase vitality, offer housing options, improve public safety, and enlarge market demand for goods and services.
- The new regulatory system must reflect the complexities of the Downtown area, such as different types of streets and sub-areas, while remaining clear, concise, and easy to use.
- The bonus system, which provides building height incentives in return for urban design amenities, needs to be completely reevaluated.
- Winter city issues should be dealt with more effectively in order to promote the Downtown as a year-around activity center.

- The transition between the Downtown and adjacent residential areas needs to be carefully managed in order to provide a mix of housing types while protecting the integrity of existing neighborhoods.
- The revisions of the Downtown development regulations must be carefully coordinated with the more comprehensive Title 21 Update.

8.3 USES

The existing Title 21 contains sections on permitted, conditional, and prohibited uses and structures. The uses listed appear to have been generally acceptable for the Downtown area, with the exception of residential uses. One of the stated goals of this project is to encourage more residential uses Downtown. More attention will be paid to mixed uses (combined non-residential and residential) and the supporting uses that serve a residential population. Compatibility of uses will become more important in designing the Downtown area. An essential part of encouraging residential uses is the need to include design standards that make increased residential density attractive and otherwise work well. Regulatory incentives for residential and/or mixed-use development will be considered if the new plan calls for such measures.

Another likely subject to be addressed in the Downtown Comprehensive Plan is the need to encourage new entrepreneurial activity. The development regulations should allow or encourage entrepreneurial activities and supporting uses. The Downtown Comprehensive Plan also may call for a finer grain of use patterns in order to achieve greater differentiation, such as pedestrian streets and/or special arts or commercial districts. More attention may also need to be paid to the transition to adjacent neighborhoods – this may require changes in uses and standards. For example, less emphasis may be placed on ground-floor retail in primarily residential transition areas, while some uses may not be appropriate at all. As part of these efforts, the number of districts and the breadth of use definitions will need to be examined.

The new regulations may also need to address the types of uses in seismically hazardous area in order to prevent loss of life and destruction of facilities needed for recovery from a seismic event.

The Title 21 Update reorganizes the use regulations into use categories and use types that are contained in several use tables or matrices. The new Downtown regulations will need to do the same in order to maintain consistency with the proposed regulations. This will entail examining each use in the existing Downtown zoning districts to determine how it fits into the proposed classification system. If it does not fit, new use types may need to be created. In addition, specific use standards may need to be added or modified.

8.4 DIMENSIONAL STANDARDS

8.4.1 Lot Requirements

All three Downtown zoning districts require a minimum lot width of 50 feet and a minimum lot area of 6,000 square feet. These standards will be examined, but there is no current information that suggests they are inappropriate.

8.4.2 Yard Requirements

All three Downtown zoning districts deal with yard requirements for residential uses by cross-references to applicable provisions in the R-4 Multiple-family Residential District. For non-residential and mixed uses (combined non-residential and residential), the B-2A and B-2B district have no yard standards except as may be required by other parts of Title 21. The B-2C district is similar, but does not specifically exempt mixed uses from yard standards. These standards will be examined, especially with regard to mixed uses, but there is no current information that suggests they are inappropriate. There is a need to look specifically at yard requirements in areas of transition from the commercial Downtown to the more residential areas.

8.4.3 Bulk and Lot Coverage

All three Downtown zoning districts permit buildings up to three stories in height to extend to the edge of the lot. For buildings exceeding three stories, maximum plan dimensions for towers are imposed, dependent upon parcel size. An alternative design may be approved, provided that at least 15 percent more scenic views or solar access are provided. These standards will be examined, especially because the City has granted several bulk variances for larger buildings.

8.4.4 Structural Heights

All of the Downtown is subject to the maximum height limits established to ensure flight safety at Merrill Field – these currently are found in Chapter 21.65 of Title 21. In addition, no structure may exceed nine stories in height unless additional height is allowed pursuant to a bonus system. A table sets forth the number of bonus points for each of 23 design amenities. One bonus point permits an additional 400 square feet of floor space, subject to some restrictions on how the bonus points can be applied. A document entitled *Urban Design Amenities* provides policy guidance to MOA's Planning Staff and the Planning and Zoning Commission in administering the system.

Amenities must be maintained after the project is completed. Different ones can be substituted, however, upon approval of City staff, and existing amenities can be eliminated entirely upon approval of the Planning and Zoning Commission.

The code also contains a special provision allowing for height increases caused by the decrease in site area due to providing wide sidewalks.

Notwithstanding the bonus system, the Downtown zoning districts establish certain height limits in the vicinity of the Town Square Park. It may be useful to examine applying similar maximum height limits in other areas to protect views, provide a transition to another type of area, and protect solar access to other public areas. If views and solar access are to be protected, it is critical to determine early in the planning process exactly what views and areas are to be protected and to what extent. The transition issue is of particular importance when moving from the more commercial Downtown area to the primarily residential areas – height gradations are one technique of making this transition successful.

The bonus system is the source of considerable controversy. While it has resulted in several buildings with very desirable amenities, some people believe that overall it has not produced a significant benefit to the City. The analysis of the bonus system will focus on (1) what are the goals to be achieved, (2) is there a better alternative to a bonus system, and if not, (3) should building height remain the sole incentive, (4) what are the amenities that should be included, and (5) how should each be weighed? It also might be useful to consider tightening up the process for changing or eliminating the amenities after the project is built.

8.5 OTHER STANDARDS

8.5.1 Signs

Signs within the Downtown area are regulated in other parts of Title 21 – Chapter 21.47 in the current code and Chapter 21.10 in the draft revision. These provisions may not be entirely appropriate for a Downtown setting. For example, the provisions linking size of a sign to size of the façade and the treatment of marquees should be examined to ensure that signs reinforce a vibrant, but orderly, vision of the Downtown. There is also a problem along some streets in that signs cannot legally extend into the state right-of-way. This is a problem that cannot be solved by changing Title 21, but it may be the subject of a legislative initiative at the state level. Wayfinding signage also is an issue in the Downtown; this probably requires direct action by the city government, but the development regulations can be examined to determine if they can assist in alleviating the problem.

8.5.2 Parking

No off-street parking is required in the Downtown area, but any such parking that is provided must be landscaped and designed in accordance with other provisions of Title 21. One issue that has arisen is the location of parking lots. There is no requirement that the parking lot must be located behind or to the side of the building it serves. At least one new building has the parking lot in front of the main entrance, more appropriate to a suburban environment. Also, the current regulations do not effectively address the design of parking structures at the street level or multiple-use structures. Parking structures with retail on the ground floor and office or residential on the higher floors would provide a more vibrant urban environment.

8.5.3 Sidewalks

The provisions for the B-2A District require that all sidewalks be a minimum of 11.5 feet wide. The B-2B provisions allow a width of 10.5 feet if the adjoining structure contains no retail space with street-level display windows. The B-2C provisions are similar to this except they exempt several small areas from the 11.5-foot requirement. These standards will be examined, but there is no current information that they are inappropriate. As noted in Chapter 4: Urban Design Analysis, Downtown's sidewalk widths are not necessarily up to code or adequate for comfortable movement.

8.5.4 Street-level Design

All three Downtown zoning districts have provisions for street-level design consistency and ground-floor windows. The design consistency provisions consist of a requirement that buildings and their amenities in certain designated areas (first and second priority pedestrian improvement areas) extend the full width of the lot except for driveway openings. This standard will be examined, but there is no current information that it is inappropriate. Extending it to other Downtown areas and combining it with other design features may be considered.

In addition to the design consistency requirements, the ground-floor window provisions require a portion of the building wall facing a sidewalk to include windows. The requirement generally is that 50 percent of the length and 25 percent of the ground-level wall area must be devoted to windows. The regulations deal with corner lots and the definition of "window." Residential units and parking structures are exempt.

In addition to these two types of provisions, street-level design is also included in the bonus system (see above). One implication of this is that some street-level design provisions are not consistently applied.

Although some newer buildings are quite well designed, the current regulations have not provided for a consistent approach to issues such as weather protection for pedestrians. The Downtown Plan is expected to stress the importance of a strong pedestrian orientation for at least portions of the Downtown. This undoubtedly will involve types of regulations not currently addressed adequately or at all – requiring the front door to face the street, designing for public safety, design standards for parking structures, appropriate design standards for mixed-use development, design features of alleys, winter city design (see below), circulation connectivity, and others. The Public Review Draft of the Title 21 Update (Chapter 21.07) contains some pedestrian-oriented design provisions, which will need to be examined for their applicability to the Downtown area. These will be examined as part of a comprehensive urban design analysis during the preparation of the Downtown Plan and its policies will be reflected in the new Downtown regulations.

8.5.5 Screening

All three Downtown zoning districts have general provisions for screening trash containers, loading areas, storage areas, service areas, and rooftop mechanical equipment. These provisions will be examined, but there is no current information that they are inappropriate.

8.5.6 Loading

All three Downtown zoning districts require loading facilities that conform to the general loading standards in Title 21. There is a concern that the design and location of loading facilities are not being properly integrated into the design of new buildings – loading often blocks traffic and alley access.

8.5.7 Refuse Collection

All three Downtown zoning districts require, where applicable, refuse collection facilities that conform to the general loading standards in Title 21. These provisions will be examined, but there is no current information that they are inappropriate.

8.5.8 Landscaping

All three Downtown zoning districts require landscaping in all areas that are not covered by structures, drives, sidewalks, and similar installations. There is some concern that large trees used for street landscaping are dying and that some landscaping is not being properly maintained. The current provisions and identified issues will be examined.

8.6 WINTER CITY DESIGN

There is considerable interest in dealing more effectively with the winter weather conditions – snow, ice, winds, cold temperatures, lighting and extended periods of darkness – in the Downtown area. The current Downtown zoning districts partially address these issues through the bonus program but do not provide a comprehensive approach. The Public Review Draft of the Title 21 Update (Chapter 21.07) contains some weather protection and snow-storage provisions. Some of these proposed provisions, such as snow removal, may not be directly applicable to the more dense Downtown area, but others should be examined carefully to see if they are appropriate for improving weather protection provisions for the Downtown area. A comprehensive winter city design framework is needed, including development regulations and, probably, public-private partnerships. In addition to dealing with the coldest winter months, consideration also should be given to extending the desirable features of the spring and autumn season.

8.7 STRUCTURE OF ZONING DISTRICTS

Currently there are three Downtown zoning districts. As the Downtown Comprehensive Plan develops, the number and type of zoning districts will need to be examined. In addition to having different zoning districts for different areas of the Downtown, it may be useful to link the regulations to the type of street. The character of a pedestrian-oriented street is usually very different than the character of a one-way street used primarily to move vehicles through an area. Integrating the streetscape with the type of movement makes for a more vibrant urban environment and a better circulation system. Any major changes would need to be carefully evaluated to ensure that the complexity of the regulatory system does not become a problem for administration or public understanding.

8.8 TITLE 21 UPDATE

8.8.1 Commercial Centers

The City contains several commercial centers, such as Midtown, in addition to the Downtown. These centers play different roles in ensuring the commercial vitality of the City. The strengths of each type of center should be recognized so that a synergistic relationship is formed between all of them. This means that the regulations in the Public Review Draft for the other commercial centers should be examined as part of drafting Downtown regulations to ensure that each type of center is subject to optimal land-use regulations.

8.8.2 Adjacent Residential Areas

The residential areas immediately surrounding the Downtown also need to be examined. These residential areas may need to be protected and enhanced through appropriate regulations dealing with uses and standards, such as density, height, landscaping, and design features. Design guidelines may be useful. These issues will be examined and recommendations made as appropriate. These issues should also be addressed in the Title 21 Update.

8.8.3 Compatibility

The need to ensure compatibility with the Public Review Draft of Title 21 has been mentioned in a number of the preceding sections that deal with specific issues. The existing Downtown zoning districts reference other provisions of Title 21 – proposed zoning districts probably will do the same in order to avoid duplication and keep the length of the regulations to a minimum. These references include definition of uses (use types), signs, parking space landscaping and design, loading, and refuse collection. Not only do the cross references need to be correct, but more importantly, the referenced sections must be appropriate to the Downtown. If they are not, the Downtown regulations must include exceptions. Also, Title 21 definitions and methods of measurement will govern unless special provisions are added to the Downtown regulations. In addition, the task is broader, however. The Public Review Draft needs to be examined in detail to determine how its numerous standards and regulations, unintentionally or by design, affect the Downtown area. As an example, sections 27.07.100 (Residential Building Standards), 27.07.110 (Public/Institutional and Commercial Building Standards) and 21.07.120 (Large Commercial Establishments) must to be analyzed to see if any exceptions need be made. Mixed-use provisions in the Downtown area must reflect consistency between residential and non-residential regulations. Amendments to the Public Review Draft document will be prepared as necessary to ensure compatibility. It should be noted that the effort to ensure textual compatibility rests primarily with the drafting of the Downtown regulations; Downtown regulations should fit within the overall regulatory framework, rather than requiring changes to be made in the more comprehensive Title 21.

8.8.4 Coordination

The Downtown development regulations probably will be moving on a parallel path through the review process, albeit on different schedules. The most obvious potential problem is that if, during the parallel processes, changes are made to Title 21 that affect the Downtown regulations, changes then must be made to the Downtown regulations in order to maintain consistency and achieve the desired results. At some point in the future, before drafting of the Downtown regulations begins, these schedules must be better coordinated. But in any case, close coordination between the two efforts will be required to ensure that the entirety of Title 21 is internally consistent and cohesive.

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