

6. COMPARISON OF INDUSTRIAL SUPPLY AND DEMAND

The ILA described in this report is the culmination of a thorough evaluation of the demand for industrial land in Anchorage and a comparison of this demand to the industrial land supply, both in absolute, quantitative terms, as well as through a qualitative assessment of supply attributes.

Table 15 summarizes the comparison of industrial land demand and supply from 2010 to 2030. As shown, the EPS Team has predicted that approximately 600 acres of developable industrial land of various types will be required by 2030, assuming a reasonable rate of employment growth (Base Scenario). If an enhanced rate of employment growth occurs in Anchorage, this acreage requirement could be as high as 900 acres (High Growth Scenario). Because industrial land markets never truly reach equilibrium, a 20-percent overage has been applied to these figures in order to model an efficient market for industrial land. Although this factor could be higher or lower, 20-percent is considered a reasonable overage for purposes of this analysis. Therefore the true total of industrial land demand estimated in this report ranges from 720 to 1,080 acres.

Table 15 shows the undeveloped supply of industrial land in the Study Area. As shown, the EPS Team has estimated that approximately 800 acres of total undeveloped industrial land exists in the Study Area, of which approximately 600 acres are in the Anchorage Bowl, and the remaining 200 acres are in Chugiak-Eklutna and Eagle River. Therefore, if all undeveloped industrial land in the Anchorage Bowl were developed, an additional 115 to 475 acres of industrial land would still be required. If industrial development also occurred in Chugiak-Eklutna and Eagle River, the land demand is likely to be satisfied under the Base Growth scenario (with an excess of approximately 80 acres), but would fall short under the High Growth Scenario and require an additional 280 acres.

Although approximately 800 acres of vacant industrial land exists in the Study Area, much of this land has known soil conditions, which could impede the ability for this land to be feasibly developed. If this land is excluded from the vacant industrial land supply, a significant deficit (approximately 290 to 650 acres) is projected relative to demand over the next 20 years. In addition to parcels with known soil conditions, many vacant industrial parcels have other issues including size, parcel configuration, poor access to infrastructure, and adjacencies to incompatible uses. Parcels with these and other such issues further lessen the pool of land which could be used to satisfy demand for industrial.

The EPS Team has also evaluated the potential to redevelop some currently occupied industrial land in order to accommodate demand. As shown, the EPS Team has identified approximately 662 acres of underutilized industrial land throughout the MOA (see **Appendix B**). However, it is not realistic to assume that all of this land will be redeveloped, since this process is difficult, time-consuming, and expensive. **Table 15** shows the impact on the overall supply and demand balance under two development scenarios. As shown, if 50 percent of this land were to be redeveloped, there would be an overall surplus of 42 acres under the Base Growth Scenario, but a shortfall of 318 acres under the High Growth Scenario. If only 25 percent of this land were redeveloped, there would be a shortfall of 124 industrial acres under the Base Scenario, and a shortfall of 485 under the High Growth Scenario.

Table 15
Anchorage Bowl Industrial Land Assessment
Summary of Supply and Demand of Industrial Land: 2010 - 2030

Item	Formula	Base Scenario	High Growth Scenario [1]
Land Demand			
Estimated Demand [2]	a	600	900
Land Demand "Buffer" [3]	b = a * 20%	120	180
Total Land Demand	c = a + b	720	1,080
Undeveloped Land Supply			
Anchorage Bowl	d	598	598
Subtotal Surplus/ (Deficit) in Anchorage Bowl	e = d - c	(115)	(475)
Eklutna/ Other	f	203	203
Total Undeveloped Supply including Eklutna	g = f + d	801	801
Surplus/ (Deficit) including Eklutna	h = g - c	81	(279)
Less Acreage with Soil Limitations [4]	i	(370)	(370)
Subtotal Undeveloped Land Supply W/O Soil Limitations	j = g - i	431	431
Subtotal Surplus/ (Deficit)	k = j - c	(289)	(649)
Underutilized Acres (Potential Additional Supply) [5]	l	662	662
50% of Underutilized Acres	m = l * 50%	331	331
25% of Underutilized Acres	n = l * 25%	166	166
Subtotal Surplus/ (Deficit)	o = k + l	373	13
Assuming 50% of Underutilized Acres are Redeveloped	p = k + m	42	(318)
Assuming 25% of Underutilized Acres are Redeveloped	q = k + n	(124)	(484)

"supply_demand"

- [1] High Growth Scenario is based on 1.7% average annual growth in employment. The Base Scenario is based on 1.2% average annual growth.
- [2] Estimated land demand calculated in **Chapter 4** of this report.
- [3] A 20% overage has been assigned to projected demand in order to simulate an efficient industrial market.
- [4] Includes parcels with soil limitation ratings of 0.26 or higher, which are defined as by the U.S. Dept. of Agriculture's "Soil Survey of Anchorage, Alaska." The soil limitations associated with these parcels are considered "Severe" or "Very Severe." See **Appendix B** for more information.
- [5] See **Chapter 5** and **Appendix B** for a detailed discussion of underutilized acreage.

Although not included in **Table 15**, this analysis also recognizes that a large portion of industrial land demand may be satisfied on various publicly owned lands throughout the MOA, such as those controlled by the Port, Airport, Railroad, and the University of Alaska. It is highly recommended that the MOA and AEDC maintain discussions with public landowners to ensure that these valuable land assets are utilized properly and efficiently with respect to industrial land use.