

MUNICIPALITY OF ANCHORAGE Real Estate Department MEMO

DATE: April 20, 2023

TO: Assembly Enterprise and Utilities Oversight Committee-of-the-Whole

THROUGH: Lance Wilber, Director

Office of Economic and Community Development

FROM: Emma Giboney, Land Management Officer

Heritage Land Bank

SUBJECT: An Inventory of Potentially Developable HLB Parcels in Girdwood

EXECUTIVE SUMMARY

On February 7, 2023, the Anchorage Assembly directed the Heritage Land Bank (HLB) and the Real Estate Department through Resolution 2023-40, As Amended, to compile a list of uncommitted parcels that are suitable for residential and commercial development in Girdwood. Through a spatial analysis and subsequent calculations using seven criteria for determining feasibility of development, HLB identified eleven (11) parcels that are suitable for potential development. The following report outlines that analysis.

INTRODUCTION

On February 7, 2023 the Anchorage Assembly passed Resolution 2023-40, As Amended (Appendix A). Section 3 of this resolution reads as follows:

"For the purpose of increasing attainable residential housing in Girdwood, the Administration is requested to direct Heritage Land Bank (HLB) and the Real Estate Department to compile a list from the HLB inventory of uncommitted parcels that are suitable for residential or commercial development, to include information about existing utilities, plats, studies, known or estimated development costs to prepare the land for constructing dwellings, and any other considerations required to determine the feasibility for development. Additionally, direct HLB, in conjunction with appropriate municipal

departments, to explore financial mechanisms, such as tax improvement districts and tax abatement, to support the development of attainable housing. This task shall be a first step towards the objective to dispose HLB land under AMC section 25.40.025 to a qualified Girdwood nonprofit organization, either alone or in partnership with another entity, with due consideration to and coordination with the Girdwood Board of Supervisors. A report of this compilation is to be transmitted to the Assembly via an Assembly Information memorandum and presented at an Assembly Enterprise and Utilities Oversight Committee no later than April 20, 2023."

In response to the first component of this resolution, HLB is presenting the compilation of a list of uncommitted HLB parcels that are most suitable for development in Girdwood. This report is a broad overview of the feasibility of development of HLB Parcels in Girdwood.

METHODS

Heritage Land Bank owns and manages over 250 parcels within the Municipality, totaling around 12,800 acres. Within Girdwood, HLB owns 58 parcels, totaling around 6,300 acres, just under 50% of all HLB acreage. The goal of this report is to compile a list from the HLB inventory of uncommitted parcels that are the most feasible for residential or commercial development in Girdwood. To complete this objective, HLB worked with the municipal Geographic Data and Information Center (GDIC) to perform a spatial analysis to generate a wide range of information about the 58 HLB-owned parcels in Girdwood. The list was then narrowed through a series of determinations and calculations by HLB Staff. In this section a more detailed look at how the data was generated and analyzed will be described.

The Assembly Resolution directed the analysis to use "information about existing utilities, plats, studies, known or estimated development costs to prepare the land for constructing dwellings, and any other considerations required to determine the feasibility for development". In addition, the analysis took into consideration zoning designations, slope, wetlands, flood hazard areas and avalanche hazard zones. In total about twenty attributes were considered to help narrow down the list of parcels to the ones most feasible for development.

GDIC Staff performed a spatial analysis to generate information for each HLB parcel in Girdwood. The data sources complied for the spatial analysis included GDIC property, street, and environmental information, as well as spatial data obtained from Chugach Electric Association (CEA) and Anchorage Water and Wastewater Utility (AWWU). While some information was more straight forward, such as size, wetland, and zoning information, the infrastructure proximity was more complex to generate. GDIC Staff measured the Euclidian distance (straight-line or "as-the-crow-flies") from the geometric center point of each Girdwood HLB parcel to the nearest AWWU water main, AWWU sewer main, CEA electrical line, and street. The result of the spatial analysis was a spreadsheet that had over 20 attributes for each of the 58 parcels.

From this initial inventory HLB Staff developed a set of criteria to narrow down the list to the parcels most feasible for development. A list of the criteria are as follows:

- 1. Parcels are uncommitted: not leased or having a designated purpose
- 2. Infrastructure is located within one-half mile: water mains, sewer mains, electrical lines and streets
- 3. Parcels are mostly uplands: not in intertidal areas or majority Class A wetlands
- 4. Parcels are relatively flat or have minimal slope
- 5. Zoning is appropriate for residential or commercial development
- 6. Other environmental considerations including special flood hazard areas that are not prohibitive
- 7. Plat notes that do not restrict development: setbacks, easements, restrictions, development or other requirements

Using these criteria, the list was narrowed down to the HLB parcels most feasible for development. At this point, the directive to estimate costs to prepare the land for constructing dwellings was further explored. HLB Staff consulted with CEA, AWWU, the Planning Department, and the Development Services Department to create a formula to calculate a rough estimate for constructing off-site infrastructure for each of the remaining parcels. These estimates represent the minimum cost to bring water, sewer, electricity, and roads from existing infrastructure to a parcel and are meant as a guide.

RESULTS

Out of the 58 HLB-owned parcels in Girdwood, 11 are reasonably feasible for development under the current conditions. The largest limiting factor was infrastructure proximity. Twenty-four parcels are at least half a mile away from one of the four infrastructure types, however two of these parcels (6-010 and 6-011) remain included due to their size and how the methodology may have skewed the results for large parcels. Zoning was the second largest category eliminating parcels for potential development, with 19 parcels zoned Open Space (GOS), Recreation (GRR), Watershed (GW), and Parks (GIP). While rezoning may be an option, it is a current barrier for development. Many other parcels were eliminated due to a variety of other reasons, summarized in Appendix B. Many parcels had more than one factor that made development potentially difficult.

The eleven parcels most feasible for development can be found in the table below, with more details and maps in Appendices C and D. While these parcels may be more developable than the other 47, many challenges are still present. A majority of parcels have factors that would make only a portion feasible for development. Some parcels have steep areas, or areas of wetlands. Others have multiple zoning districts or plat notes, easements, or setbacks that make portions of the parcel undevelopable.

HLB Number	Parcel ID	Legal Description	Plat	Area (Acres)
6-010	075-021-03-000	ALASKA STATE LAND SURVEY 81-149 TR A	84-446	1178
6-011	075-311-04-000	ALYESKA - PRINCE ADDITION TR I	87-131	426
6-015	075-031-33-000	GIRDWOOD ELEMENTARY SCHOOL TR C	85-38	14
6-016	075-031-32-000	GIRDWOOD ELEMENTARY SCHOOL TR B	85-38	23
6-017	075-041-31-000	T10N R2E SEC 9 TR 9A	73-220	12
6-036	075-104-71-000	GLACIER VIEW ESTATES TR 1	2008-18	205
6-039	075-091-01-000	T10N R2E SEC 18 TR 18B	73-220	68
6-040	075-093-44-000	T10N R2E SEC 18 TR 18A	73-220	43
6-057F	075-131-07-000	GIRDWOOD INDUSTRIAL PARK PH 1 TR B	2016-67	155
6-076	075-062-60-000	GIRDWOOD SOUTH TOWNSITE TR G-6	2014-25	15
6-134	075-063-90-000	GIRDWOOD SOUTH TOWNSITE TR D-5	2014-25	15

(Additional information on each parcel is available in Appendix C and D)

CONCLUSION

Fifty-eight (58) HLB parcels in Girdwood were narrowed down to the eleven (11) most feasible for development through a series of spatial analyses, calculations, and site-specific implications. Many of these parcels have been considered for development in the past and are designated for development in the applicable area and master plans. While they are the most feasible parcels for development, that does not imply that they are easily developable. Pre-development surveying and engineering, wetland delineation and permitting, possible rezoning and replatting are all cost barriers when considering a development project. And although this analysis gives a basic idea of infrastructure access and cost, the methods are limited and most likely give a much lower estimate than what would actually be necessary.

This report's intention is to establish a preliminary baseline of development capability for HLB parcels within Girdwood. This report is not intended to provide preferred properties for development or suggest that development is likely to occur within a given time frame. HLB will work with all stakeholders, public and private, to continue to meet the needs of the area and maintain the mission of HLB.

APPENDICES

Appendix A: Resolution 2023-40, As Amended

Appendix B: Parcel elimination table

Appendix C: Table with details on the 11 parcels determined to be feasible for development

Appendix D: Maps and fact sheets

CC: Heritage Land Bank Advisory Commission

APPENDIX A: AR 2023-40

Municipal Clerk's Office Amended and Approved

Date: February 7, 2023

Submitted by: Assembly Chair LaFrance and

Assembly Member Zaletel

Reviewed by: Assembly Counsel For reading: February 7, 2023

ANCHORAGE, ALASKA AR No. 2023-40, As Amended

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY REQUESTING THE ADMINISTRATION DIRECT HERITAGE LAND BANK (HLB) TO INCLUDE SPECIFIC OBJECTIVES IN THE HLB FIVE-YEAR MANAGEMENT PLAN AND THE HLB ANNUAL WORK PROGRAM AND TAKE CERTAIN ACTIONS TOWARDS INCREASING ATTAINABLE RESIDENTIAL HOUSING IN GIRDWOOD.

WHEREAS, the Assembly seeks to alleviate the ongoing housing shortage and affordability crisis in the Municipality of Anchorage; and

WHEREAS, as a resort community within the Municipality, Girdwood faces high external housing demand and has seen a drastic increase in short term rentals in the last 10 years, making it challenging for year-round residents of Girdwood to obtain housing, with the immediate need for housing estimated to be at least 150 to 300 units of year-round permanent housing; and

WHEREAS, Girdwood community meetings and Assembly worksessions on the proposed Holtan Hills development have generated high public interest among Girdwood residents, resulting in robust conversations about the need for a broader effort to develop housing in Girdwood that is attainable not only to people working and living in Girdwood year-round, whose household incomes are 80 to 120 percent of the annualized Area Median Income (AMI) for Girdwood, but also for those persons whose household incomes are below 80 percent of the AMI;

WHEREAS, most of the land in Girdwood that is suitable for residential and commercial development is primarily owned by Heritage Land Bank (HLB); and

WHEREAS, the Girdwood Board of Supervisors unanimously approved Resolution 2021-18 on August 16, 2021 and Resolution 2023-01 on January 16, 2023, urging "HLB to prioritize the need for community housing in Girdwood that was attainable and affordable to the working population of the community"; and

WHEREAS, on December 20, 2022 the Assembly unanimously approved AR 2022-416, which stated the Assembly's intent to "prioritize the use of uncommitted municipal land to address the housing shortage, either through disposal or land exchanges or development through public-private partnerships (P3s), which can result in greater public benefit by advancing housing goals in ways not typically feasible through private development alone"; and

WHEREAS, Anchorage Municipal Code (AMC) section 25.40.020A. directs HLB to submit a five-year management plan for Assembly approval at least every five years to "identify those land acquisition, inventory, management, transfer, and disposal objectives anticipated during this time frame" and AMC section 25.40.020B. further states that each year HLB shall submit to the Assembly for approval "a work program which conforms to

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the current or proposed five-year management plan and which includes detailed descriptions of the proposed land acquisition, inventory, management, transfer and disposal activities of the Heritage Land Bank for the coming year"; and

WHEREAS, while HLB did not submit a five-year management plan or annual work program to the Assembly in 2022, HLB typically submits the plan and program to the Assembly in the first quarter, and it is anticipated the plan and program will be submitted by early second quarter this year; and

land in Girdwood to a qualified Girdwood non-profit entity, either alone or in partnership with another entity, for the purpose of increasing attainable residential housing stock in Girdwood; and

WHEREAS, the Assembly seeks to facilitate disposal of uncommitted developable HLB

WHEREAS, the Assembly seeks to include such conveyance as an objective in both the HLB 2024-2027 five-year management plan and the HLB 2023 work program; and

WHEREAS, the Girdwood Area Plan is being updated and is expected to address the lack of attainable residential housing in Girdwood, with the process for adoption of the Plan by the Municipality projected to start in the fall of 2023; and

WHEREAS, the Assembly desires that upon approval of the updated Girdwood Area Plan by the Assembly, the HLB amends the forthcoming five-year management plan and work program to reflect the housing objectives contained in the Girdwood Area Plan; and

NOW, THEREFORE, THE ANCHORAGE ASSEMBLY RESOLVES:

Section 1. To request the Administration direct HLB to add as an objective to both the HLB 2024-2027 five-year management plan and the HLB 2023 annual work program, in coordination with the Girdwood Board of Supervisors, the disposal of HLB parcels to a qualified Girdwood non-profit recipient, either alone or in partnership with another entity, for the purpose of increasing attainable housing for year-round residents in Girdwood.

Section 2. Upon adoption of the updated Girdwood Area Plan by the Municipality, to request the Administration direct HLB to integrate the housing objectives of the updated Girdwood Area Plan into forthcoming HLB five-year management plans and HLB annual work programs to specifically address housing needs for the Girdwood community.

Section 3. For the purpose of increasing attainable residential housing in Girdwood, the Administration is requested to direct HLB and the Real Estate Department to compile a list from the HLB inventory of uncommitted parcels that are suitable for residential or commercial development, to include information about existing utilities, plats, studies, known or estimated development costs to prepare the land for constructing dwellings, and any other considerations required to determine the feasibility for development. Additionally, direct HLB, in conjunction with appropriate municipal departments, to explore financial mechanisms, such as tax improvement districts and tax abatement, to support the development of attainable housing. This task shall be a first step towards the objective to dispose HLB land under AMC section 25.40.025 to a qualified Girdwood nonprofit organization, either alone or in partnership with another

entity, with due consideration to and coordination with the Girdwood Board of 1 2 Supervisors. A report of this compilation is to be transmitted to the Assembly via an Assembly Information Memorandum and presented at an Assembly Enterprise and 3 Utilities Oversight Committee no later than April 20, 2023. 4 5 6 **Section 4.** This resolution shall be effective immediately upon passage and approval by the Assembly. 7 8 PASSED AND APPROVED by the Anchorage Assembly this 7th day of February, 9 2023. 10 11 12 13 Swanne Latrance Chair 14 15 ATTEST: 16 17 18 Barbara a. Jones 19 20 Municipal Clerk 21

APPENDIX B: Parcel Elimination Table

This table lists the criteria that was used to determine if HLB parcels in Girdwood are feasible for development. In the left column is the reason for elimination, and the right column is the number of parcels that had that reason as a factor for not being feasible for development. The right column totals to greater than 58 because many parcels had more than one attribute making them challenging to develop.

Reason for Exclusion	# of Parcels
Infrastructure Proximity greater than 1/2 mile	22
Incompatible Zoning Designation	19
Steep Slope	15
Leased or Committed	11
Intertidal Zone	4
Wetlands	4
Other Environmental Factors	3
Plat Notes	1
Avalanche Hazard	0

APPENDIX C: Tables with details on the 11 parcels determined to be feasible for development

Parcel Description

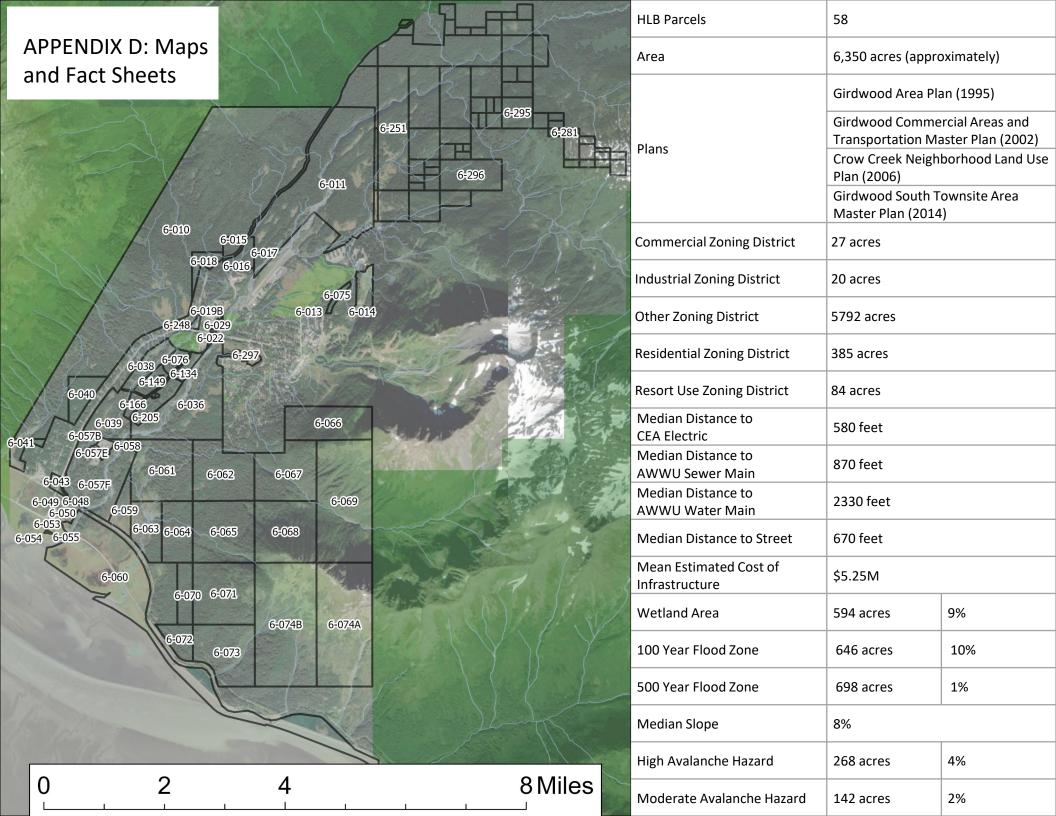
HLB Number	Parcel ID	Legal Description	Plat	Relevant Plat Notes	Area (acres)	Mean Slope (%)
6-010	075-021-03-000	ALASKA ST LAND SURVEY 81-149 TR A	84-446	section line easements; stream easements; Open space requirements; trail easements	1178	30
6-011	075-311-04-000	ALYESKA - PRINCE ADDITION TR I	87-131	50 ft wide stream protection and maintenance easement	426	15
6-015	075-031-33-000	GIRDWOOD ELEMENTARY SCHOOL TR C	85-38		14	18
6-016	075-031-32-000	GIRDWOOD ELEMENTARY SCHOOL TR B	85-38	25 ft wide stream maintenance easement	23	19
6-017	075-041-31-000	T10N R2E SEC 9 TR 9A	73-220		12	13
6-036	075-104-71-000	GLACIER VIEW ESTATES TR 1	creek setback; required flood study to determine base flood elevations		205	8
6-039	075-091-01-000	T10N R2E SEC 18 TR 18B	73-220		68	6
6-040	075-093-44-000	T10N R2E SEC 18 TR 18A	73-220		43	13
6-057F	075-131-07-000	GIRDWOOD INDUSTRIAL PARK PH 1 TR B	2016-67	Stream setback, easements	155	5
6-076	075-062-60-000	GIRDWOOD SOUTH TOWNSITE TR G-6	2014-25	street access improvements along the full tract frontage; stream setback	15	3
6-134	075-063-90-000	GIRDWOOD SOUTH TOWNSITE TR D-5	2014-25	street access improvements along the full tract frontage; stream setback	15	4

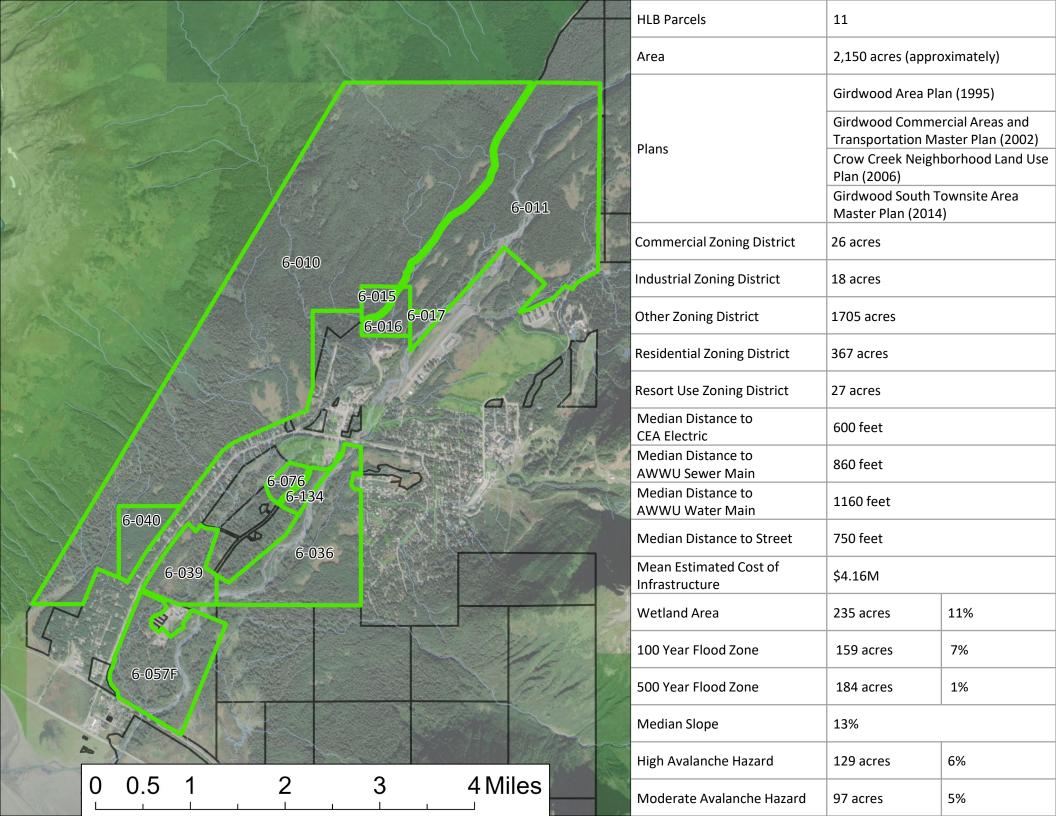
	Planning and Zor	ning					
HLB Number	Plans	Zoning District	Zoning Designations	Zoning Designation Area (acres)			
6-010	Girdwood Area Plan (1995) Girdwood Commercial Areas and Transportation Master Plan (2002) Crow Creek Neighborhood Land Use Plan (2006)	Residential Other	GR-3 GOS	229 944			
6-011	Girdwood Area Plan (1995) Girdwood Commercial Areas and Transportation Master Plan (2002) Crow Creek Neighborhood Land Use Plan (2006)	Residential Other Resort Use	GR-3, GR-5 GOS, GDR, GRR GRST-2	50, 14 169, 43, 120 27			
6-015	Girdwood Area Plan (1995) Girdwood Commercial Areas and Transportation Master Plan (2002) Crow Creek Neighborhood Land Use Plan (2006)	Residential Other	GR-3 GOS	11 3			
6-016	Girdwood Area Plan (1995) Girdwood Commercial Areas and Transportation Master Plan (2002) Crow Creek Neighborhood Land Use Plan (2006)	Residential Other	GR-3 GOS, GIP	7 9, 7			
6-017	Girdwood Area Plan (1995) Girdwood Commercial Areas and Transportation Master Plan (2002) Crow Creek Neighborhood Land Use Plan (2006)	Residential Other	GR-3 GOS	3 9			
6-036	Girdwood Area Plan (1995) Girdwood Commercial Areas and Transportation Master Plan (2002) Girdwood South Townsite Area Master Plan (2014)	Other	GCR-1 GOS	84 120			
6-039	Girdwood Area Plan (1995) Girdwood Commercial Areas and Transportation Master Plan (2002) Girdwood South Townsite Area Master Plan (2014)	Residential Other	GR-1 GOS	14 53			
6-040	Girdwood Area Plan (1995) Girdwood Commercial Areas and Transportation Master Plan (2002)	Residential Other	GR-3 GOS	39 4			
6-057F	Girdwood Area Plan (1995) Girdwood Commercial Areas and Transportation Master Plan (2002)	Industrial Other	GI-1 GOS	18 136			
6-076	Girdwood Area Plan (1995) Girdwood Commercial Areas and Transportation Master Plan (2002) Girdwood South Townsite Area Master Plan (2014)	Commercial Other	GC-5 GOS	14 1			
6-134	Girdwood Area Plan (1995) Girdwood Commercial Areas and Transportation Master Plan (2002) Girdwood South Townsite Area Master Plan (2014)	Commercial Other	GC-5 GOS	13 2			

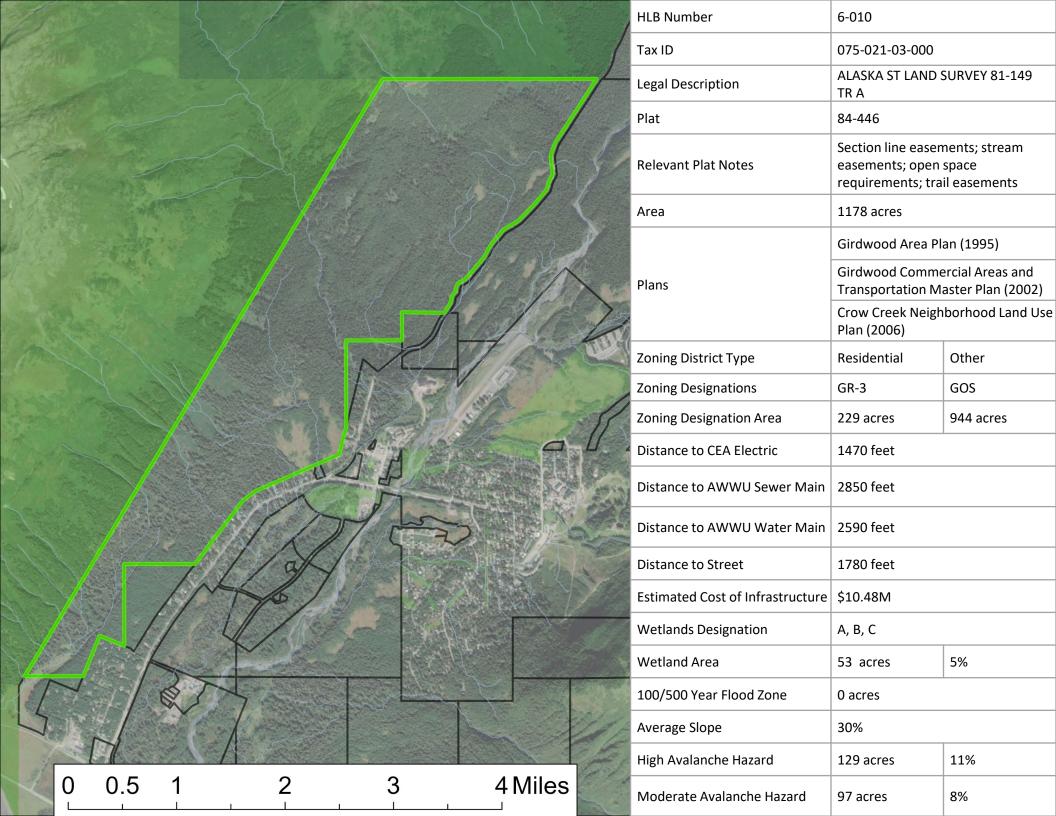
	Infrustructure						
HLB Number	Distance to CEA Electric (feet)	Distance to AWWU Sewer Main (feet)	Distance to AWWU Water Main (feet)	Distance to Street (feet)	Estimated Cost of Off-Site Infrastructure		
6-010	1470	2850	2590	1780	\$10.47M		
6-011	1770	2660	1520	1200	\$8.35M		
6-015	1250	1380	1160	390	\$4.57M		
6-016	570	890	480	290	\$2.52M		
6-017	600	760	240	750	\$3.10M		
6-036	1370	1430	1470	1440	\$7.15M		
6-039	640	650	970	790	\$3.84M		
6-040	520	790	2110	810	\$5.04M		
6-057F	390	860	1480	710	\$4.15M		
6-076	330	300	820	310	\$2.07M		
6-134	180	240	690	220	\$1.55M		

		Wetlands		Special Flood Hazard Zones			
HLB Number	Wetlands Designation	Wetland Areas (acres)	Wetland Area (%)	100 Year Flood Zone (acres)	500 Year Flood Zone (acres)	100 Year Flood Zone (%)	500 Year Flood Zone (%)
6-010	А, В, С	53	5	0	0	o	0
6-011	A, B, D	64	15	0	0	0	0
6-015	None	0	0	0	0	0	0
6-016	A, D	3	14	0	0	0	0
6-017	D	2	18	2	2	16	18
6-036	A, C	25	12	25	28	12	14
6-039	А	32	47	29	32	43	48
6-040	С	0	1	0	0	0	0
6-057F	А	52	34	92	102	59	66
6-076	А	2	15	3	5	20	36
6-134	None	0	0	8	14	57	95

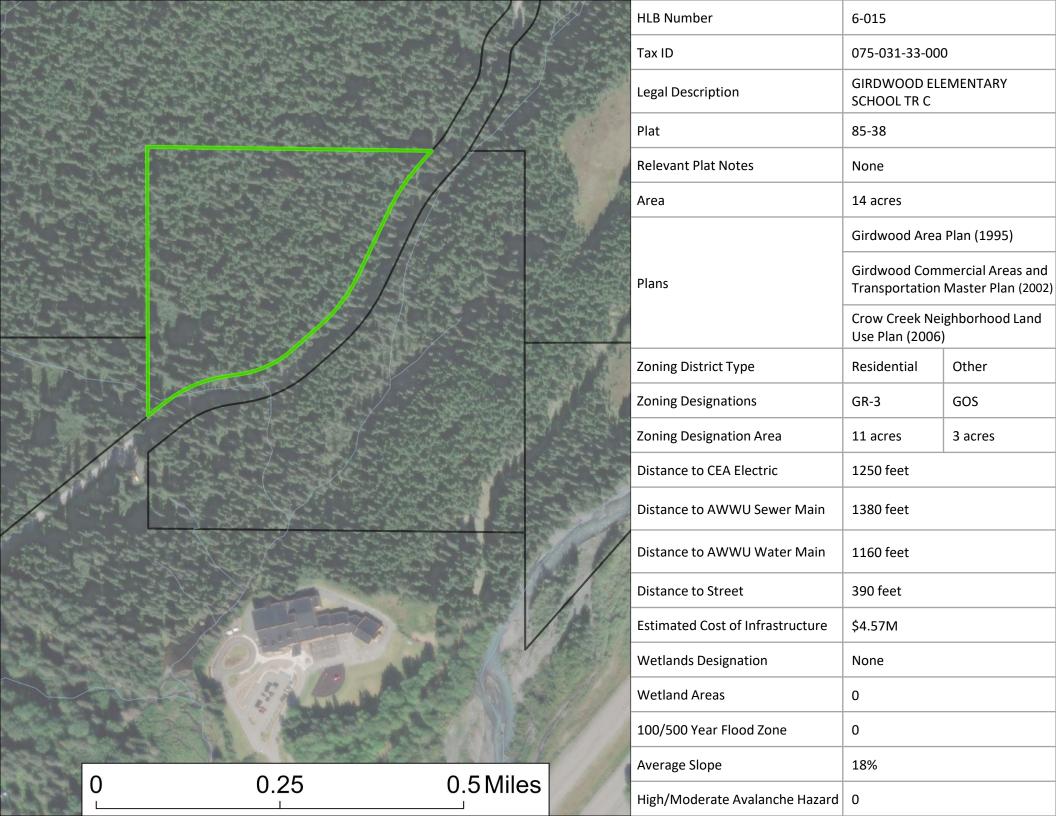
		Avalanche F	lazard Areas		
HLB Number	High Avalanche Hazard (acres)	Moderate Avalanche Hazard (acres)	High Avalanche Hazard (%)	Moderate Avalanche Hazard (%)	
6-010	129	97	11	8	
6-011	0	0	0	0	
6-015	0	0	0	0	
6-016	0	0	0	0	
6-017	0	0	0	0	
6-036	0	0	0	0	
6-039	0	0	0	0	
6-040	0	0	0	0	
6-057F	0	0	0	0	
6-076	0	0	0	0	
6-134	0	0	0	0	

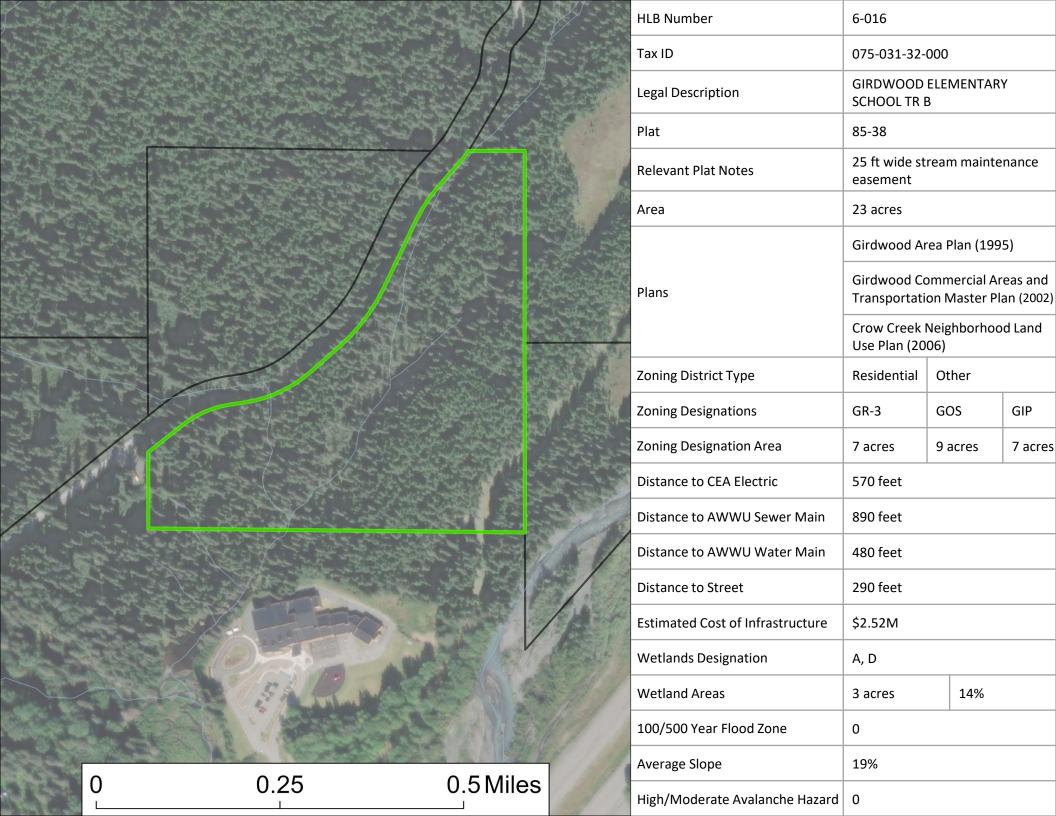


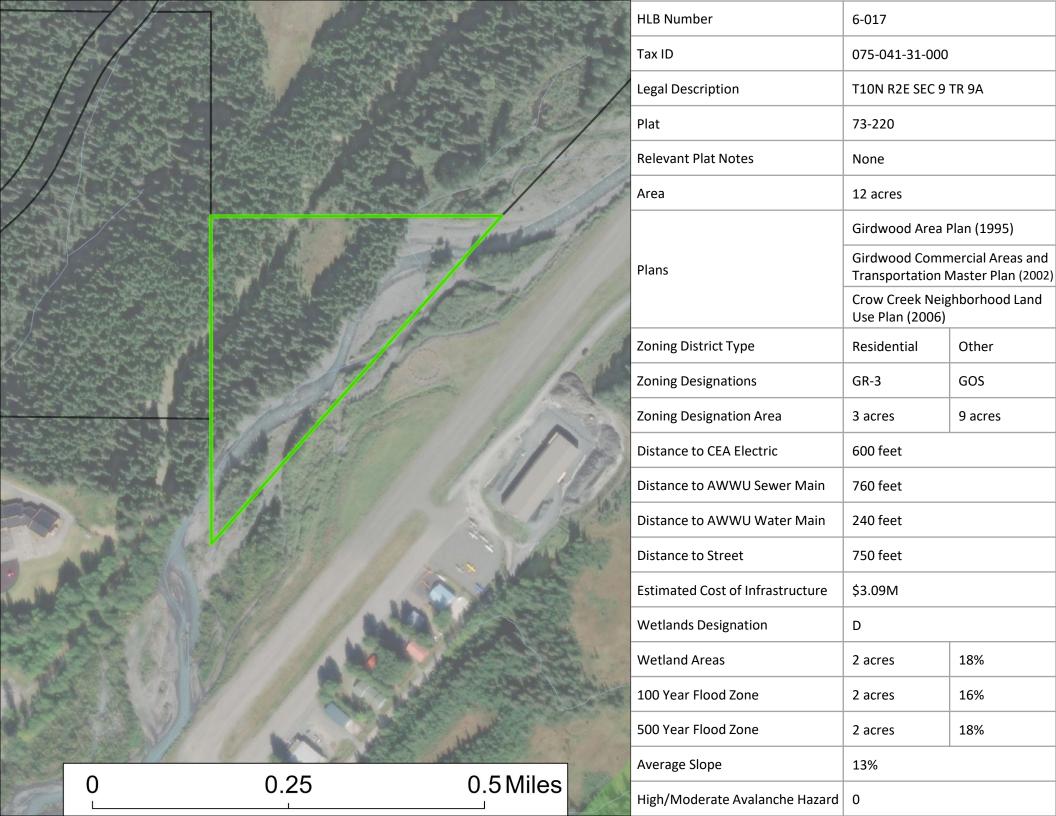




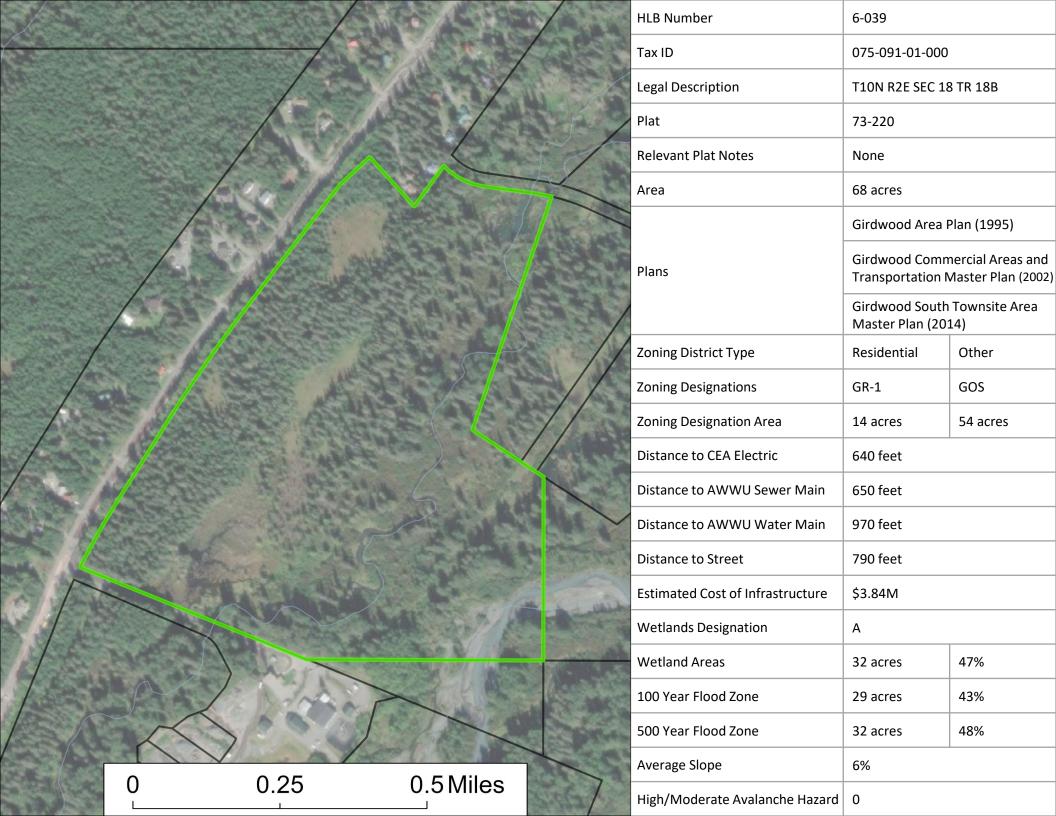




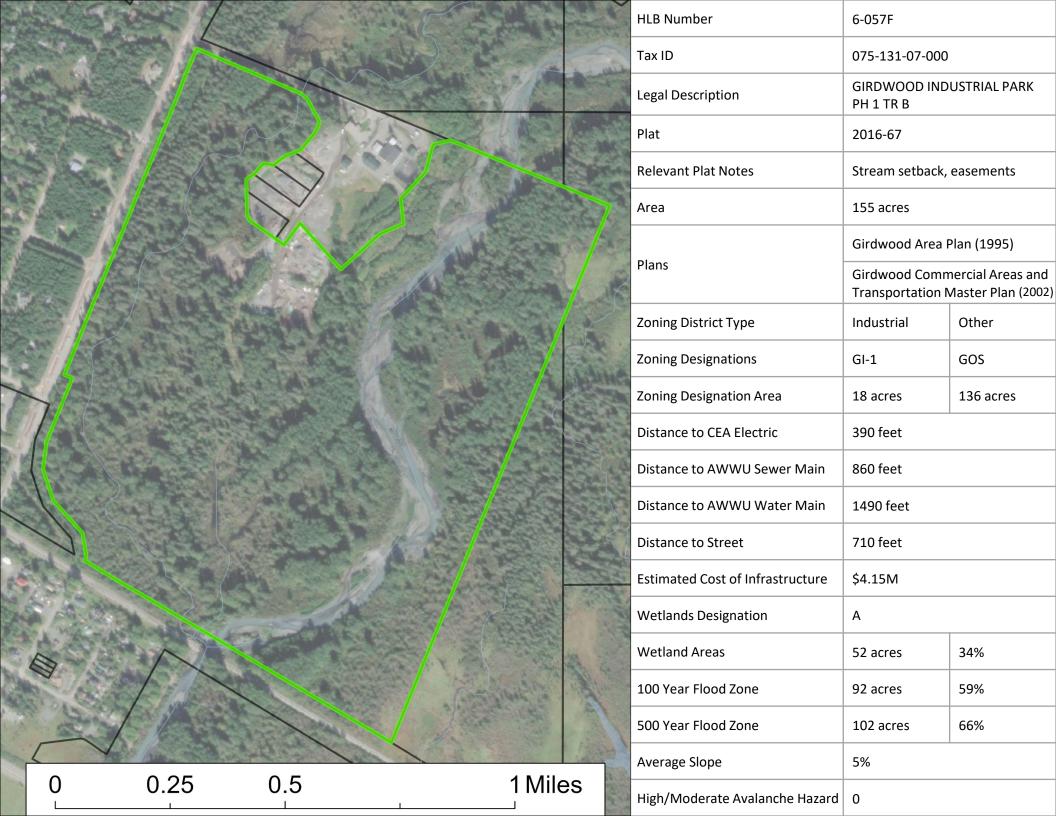
















Current Financial Mechanisms to Support Potential Residential Development in Girdwood.

Exemption	State Statute	Code	Simplified Summary	Comments	Pro	Con	Action Item
Nonprofit	29.45.030 (a)(3)	12.15.015	Property used exclusively for nonprofit religious, charitable, cemetery, hospital or educational purposes is exempt	You could always set up a non-profit entity that provides affordable housing or something that is charitable.	The courts have determined that providing affordable housing is a charitable act.	Limited to nonprofit entities.	No action item from the Municipality
Downtown Housing	29.45.050(m)	12.60	When four or more are created, the newly created residential units are exempt	The State Statute was recently changed to allow property in special service areas, like Girdwood, be exempt. So, 12.60 could be expanded to Girdwood.	Relatively straight forward.	The current code would need to be cleaned up for a more streamlined process and made applicable to Girdwood. And you have to pay the school levy.	Expand the code to also include the Girdwood District; change the sunset clause; and streamline the exemption.
Tax Incentives for Affordable and Workforce Housing	29.45.050(m)	12.70	When 20 or more residential units are created near a transit corridor and at least 40% of the units are affordable/workforce units, the qualifying units are exempt.	The State Statute was recently changed to allow property in special service areas, like Girdwood, be exempt. So, 12.70 could also be implemented in Girdwood.	Good option for large developers	Currently limited to housing near a transit corridor. But that could be changed. And you have to pay the school levy.	Amend the code to require the property be located within ¼ mile of a transit-supportive development or located in the Girdwood Special Assessment District.
Property Tax Exemption for Certain Subdivided Property	29.45.050(w)	12.15.015 E.6.	If you subdivide a lot into three or more lots, you can get an exemption on the increase in value for up to five years.	This is probably the less applicable exemption we currently have, but it could be helpful during the construction phase.	Relatively straight forward exemption.	If you sell or build a house, the exemption terminates. Good for 5 years.	No action item from the Municipality