

**ANCHORAGE, ALASKA
AO NO. 2022-103(S)**

AN ORDINANCE AUTHORIZING THE COMPETITIVE DISPOSAL OF PORTIONS OF HERITAGE LAND BANK PARCELS 6-011, 6-016, AND 6-017, LEGALLY DESCRIBED AS TRACT I PRINCE ADDITION ALYESKA SUBDIVISION (PLAT 87-131)(PID 075-311-04-000), TRACT B GIRDWOOD ELEMENTARY SCHOOL SUBDIVISION (PLAT 85-38)(PID 075-031-32-000), AND TRACT 9A SECTION 9 TOWNSHIP 10 NORTH RANGE 2 EAST (PLAT 73-220)(PID 075-041-31-000), TO CY INVESTMENTS LLC AS DESCRIBED IN THE DEVELOPMENT AGREEMENT BETWEEN THE DEVELOPER AND THE MUNICIPALITY OF ANCHORAGE DATED APRIL 29, 2022, AND AMEND THE HERITAGE LAND BANK 2021 ANNUAL WORK PROGRAM.

WHEREAS, the Municipality of Anchorage (MOA) proposes the disposal of portions of Heritage Land Bank (HLB) Parcels 6-011, 6-016, and 6-017, legally described as Tract I Prince Addition Alyeska Subdivision (Plat 87-131)(PID 075-311-04-000), Tract B Girdwood Elementary School Subdivision (Plat 85-38)(PID 075-031-32-000), and Tract 9A Section 9 Township 10 North Range 2 East (Plat 73-220)(PID 075-041-31-000), To CY Investments LLC as described in the Development Agreement between the developer and the Municipality of Anchorage Dated April 29, 2022, and amend the HLB 2021 Annual Work Program; and

WHEREAS, HLB issued a Request for Proposals on April 6, 2021 for the development of portions of three parcels in Girdwood commonly known as Holtan Hills; and

WHEREAS, HLB obtained an appraisal on December 18, 2021 where the developed area was estimated to have a market value of two million one hundred thousand dollars (\$2,100,000); and

WHEREAS, the successful proposer was identified, and a Development Agreement was drafted and entered on April 29, 2022 between the MOA and the Developer; and

WHEREAS, the disposal will continue to implement residential housing identified in the Girdwood Area Plan and the 2006 Crow Creek Neighborhood Plan; and

WHEREAS, this disposal will occur according to the terms of the Development Agreement entered into by the Municipality of Anchorage and CY Investments, LLC including equal distribution of net proceeds of lot sales; and

1 **WHEREAS**, this disposal will occur over three phases and is intended to take the
 2 form of a Planned Unit Development, affording the development a mixed-density
 3 model which will allow single-family, multi-family, and condo-type construction by
 4 the ultimate purchasers, thereby addressing several areas of housing needs in the
 5 community; and

6
 7 **WHEREAS**, the completed development will include infrastructure comprised of
 8 roads and utilities that will extend to Crow Creek Road creating a second point of
 9 egress for the neighborhood and creating the opportunity for development of lands
 10 west of Crow Creek Road with utilities in the future; and

11
 12 **WHEREAS**, the return on investment to the HLB Fund will be deferred but likely
 13 significant, leading to the long-term health of the Fund; and

14
 15 **WHEREAS**, the proposed disposal of portions of HLB Parcel 6-011 is not in the
 16 *2021 HLB Annual Work Program (AR 2021-25)*, pursuant to AMC § 25.40.020B, to
 17 proceed with the disposal, the *2021 HLB Annual Work Program* must be amended;
 18 and

19
 20 **WHEREAS**, following required public noticing, the HLB Advisory Commission
 21 (HLBAC) held a public hearing and passed HLBAC Resolution 2022-09(S),
 22 recommending the disposal of portions of HLB Parcels 6-011, 6-016, and 6-017,
 23 legally described as Tract I Prince Addition Alyeska Subdivision (Plat 87-131)(PID
 24 075-311-04-000), Tract B Girdwood Elementary School Subdivision (Plat 85-
 25 38)(PID 075-031-32-000), and Tract 9A Section 9 Township 10 North Range 2 East
 26 (Plat 73-220)(PID 075-041-31-000), to CY Investments, LLC as described in the
 27 Development Agreement between the developer and the Municipality of Anchorage
 28 Dated April 29, 2022, and amend the HLB 2021 Annual Work Program; now,
 29 therefore,

30
 31 **THE ANCHORAGE ASSEMBLY ORDAINS:**

32
 33 **Section 1.** The MOA is hereby authorized to execute disposal of portions of HLB
 34 Parcels 6-011, 6-016, and 6-017, legally described as Tract I Prince Addition
 35 Alyeska Subdivision (Plat 87-131)(PID 075-311-04-000), Tract B Girdwood
 36 Elementary School Subdivision (Plat 85-38)(PID 075-031-32-000), and Tract 9A
 37 Section 9 Township 10 North Range 2 East (Plat 73-220)(PID 075-041-31-000), to
 38 CY Investments, LLC as described in the Development Agreement dated April 29,
 39 2022.

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 41 This Assembly approval requires and is conditioned upon the memorialization of an
 42 agreement by the Developer to the following terms and conditions:

- 43
 44 A. All developers must submit applications for land use entitlements to
 45 the Girdwood Board of Supervisors (GBOS) for review prior to seeking
 46 official action by the designated decision-making body;
 47

B. CY Investments LLC will restrict the use of single-family properties in Holtan Hills, Phase I, to not include short-term rentals (less than 30 days in duration) through the homeowners association until such time that the Municipality adopts an ordinance otherwise regulating short-term rentals;

C. One multi-family lot to be drawn from HLB’s portion of profits will be designated for future disposal to a Girdwood housing authority, if and only if a housing authority entity is established which can legally receive and own property, and if and only if the housing authority is established within five years of this disposal. Otherwise, the multi-family lot reverts to Heritage Land Bank ownership;

D. CY Investments LLC will continue to engage with the Girdwood Holtan Hills Housing Advisory Committee as the project progresses.

Conveyance is null and void without the agreement of the Developer to the above terms and conditions and the memorialization of those terms and conditions either in the conveyance, by prior amendment of the Development Agreement, or otherwise.

Section 2. Within 30 days of the close of the sale, HLB staff shall provide an update to the Assembly through an informational memorandum.

Section 3. Pursuant to AMC § 25.40.020B, this ordinance hereby amends the *2021 HLB Annual Work Program* to include this disposal under the terms stated herein.

Section 4. This Ordinance shall become effective immediately upon passage and approval by the Anchorage Assembly.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2022.

Chair

ATTEST:

Municipal Clerk

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**MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM**

AM No. 715-2022

Meeting Date: December 6, 2022

1 **From:** MAYOR

2
3 **Subject:** AO No. 2022-103(S): AN ORDINANCE AUTHORIZING THE
4 COMPETITIVE DISPOSAL OF PORTIONS OF HERITAGE LAND
5 BANK PARCELS 6-011, 6-016, AND 6-017, LEGALLY
6 DESCRIBED AS TRACT I PRINCE ADDITION ALYESKA
7 SUBDIVISION (PLAT 87-131)(PID 075-311-04-000), TRACT B
8 GIRDWOOD ELEMENTARY SCHOOL SUBDIVISION (PLAT 85-
9 38)(PID 075-031-32-000), AND TRACT 9A SECTION 9 TOWNSHIP
10 10 NORTH RANGE 2 EAST (PLAT 73-220)(PID 075-041-31-000),
11 TO CY INVESTMENTS LLC AS DESCRIBED IN THE
12 DEVELOPMENT AGREEMENT BETWEEN THE DEVELOPER
13 AND THE MUNICIPALITY OF ANCHORAGE DATED APRIL 29,
14 2022, AND AMEND THE HERITAGE LAND BANK 2021 ANNUAL
15 WORK PROGRAM.
16

17 In this substitute ordinance, the Municipality proposes to add certain conditions to
18 the transfer of the Heritage Land Bank parcels in response to concerns expressed
19 by residents of the Girdwood community. Concerns were raised about creating the
20 “right” kind of housing, including housing for permanent Girdwood residents. The
21 Municipality worked closely with the developer, CY Investments LLC, to ensure that
22 the conditions were achievable.
23

24 If the Anchorage Assembly passes this substitute ordinance approving the land
25 disposal for the Holtan Hills Phase I project, the Municipality and the developer will
26 ensure that:
27

- 28 A. All developers must submit applications for land use entitlements to
29 the Girdwood Board of Supervisors (GBOS) for review prior to
30 seeking official action by the designated decision-making body;
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32 B. CY Investments LLC will restrict the use of single-family properties in
33 Holtan Hills, Phase I, to not include short-term rentals (less than 30
34 days in duration) through the homeowners association until such time
35 that the Municipality adopts an ordinance otherwise regulating short-
36 term rentals;
37
38 C. One multi-family lot to be drawn from HLB’s portion of profits will be
39 designated for future disposal to a Girdwood housing authority, if and

only if a housing authority entity is established which can legally receive and own property, and if and only if the housing authority is established within five years of this disposal. Otherwise, the multi-family lot reverts to Heritage Land Bank ownership;

D. CY Investments LLC will continue to engage with the Girdwood Holtan Hills Housing Advisory Committee as the project progresses.

Also included in this substitute ordinance package is revised Heritage Land Bank Advisory Commission (HLBAC) Resolution 2022-09(S), signed on November 17, 2022. The HLBAC convened to vote on the disposal again because the Commission mistakenly used a vote by ballot process which may violate the Open Meetings Act. Upon a revote, the Commission recommended disposal, subject to conditions, by a vote of three in favor, one opposed.

THE ADMINISTRATION RECOMMENDS APPROVAL.

Prepared by: Municipal Manager’s Office
Concur: Blair M. Christensen, Acting Municipal Attorney
Concur: Amy Demboski, Municipal Manager
Respectfully submitted: Dave Bronson, Mayor

Appendices:
Appendix A: Resolution 2022-09(S)

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MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AO Number: 2022-103 &
 2022-103(S)

Title: **AN ORDINANCE AUTHORIZING THE COMPETITIVE DISPOSAL OF PORTIONS OF HERITAGE LAND BANK PARCELS 6-011, 6-016, AND 6-017, LEGALLY DESCRIBED AS TRACT I PRINCE ADDITION ALYESKA SUBDIVISION (PLAT 87-131)(PID 075-311-04-000), TRACT B GIRDWOOD ELEMENTARY SCHOOL SUBDIVISION (PLAT 85-38)(PID 075-031-32-000), AND TRACT 9A SECTION 9 TOWNSHIP 10 NORTH RANGE 2 EAST (PLAT 73-220)(PID 075-041-31-000), TO CY INVESTMENTS LLC AS DESCRIBED IN THE DEVELOPMENT AGREEMENT BETWEEN THE DEVELOPER AND THE MUNICIPALITY OF ANCHORAGE DATED APRIL 29, 2022, AND AMEND THE HERITAGE LAND BANK 2021 ANNUAL WORK PROGRAM**

Sponsor: **MAYOR**
 Preparing Agency: Real Estate Department
 Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES:		(In Thousands of Dollars)				
	FY22	FY23	FY24	FY25	FY26	
Operating Expenditures						
1000 Personal Services						
2000 Non-Labor	-	-	-	-	-	
3900 Contributions						
4000 Debt Service		-	-	-	-	
TOTAL DIRECT COSTS:	\$ -	\$ -	\$ -	\$ -	\$ -	
Add: 6000 Charges from Others						
Less: 7000 Charges to Others						
FUNCTION COST:	\$ -	\$ -	\$ -	\$ -	\$ -	
REVENUES:	*	*	*	*	*	
CAPITAL:	\$ -					
POSITIONS: FT/PT and Temp						

**The actual amount and time period the proposed revenue would be received is dependent on development completion.*

PUBLIC SECTOR ECONOMIC EFFECTS:

The proposed disposal has the potential to increase available residentially zoned property to provide housing and place the property on the tax rolls.

PRIVATE SECTOR ECONOMIC EFFECTS:

The proposed disposal has the potential to increase available residentially zoned property to provide housing and place the property on the tax rolls.

HERITAGE LAND BANK ADVISORY COMMISSION
HLBAC Resolution 2022-09(S)

A RESOLUTION OF THE HERITAGE LAND BANK ADVISORY COMMISSION RECOMMENDING ASSEMBLY APPROVAL OF THE COMPETITIVE DISPOSAL OF PORTIONS OF HLB PARCELS 6-011, 6-016, AND 6-017, LEGALLY DESCRIBED AS TRACT I PRINCE ADDITION ALYESKA SUBDIVISION (PLAT 87-131)(PID 075-311-04-000), TRACT B GIRDWOOD ELEMENTARY SCHOOL SUBDIVISION (PLAT 85-38)(PID 075-031-32-000), AND TRACT 9A SECTION 9 TOWNSHIP 10 NORTH RANGE 2 EAST (PLAT 73-220)(PID 075-041-31-000), TO CY INVESTMENTS LLC AS DESCRIBED IN THE DEVELOPMENT AGREEMENT BETWEEN THE DEVELOPER AND THE MUNICIPALITY OF ANCHORAGE DATED APRIL 29, 2022, AND AMEND THE HLB 2021 ANNUAL WORK PROGRAM.

WHEREAS, pursuant to AMC § 25.40.010, the Heritage Land Bank (HLB) was established to manage uncommitted municipal land and the HLB Fund in a manner designed to benefit the present and future citizens of Anchorage, promote orderly development, and achieve the goals of the Comprehensive Plan; and

WHEREAS, HLB developed and adopted the Crow Creek Neighborhood Land Use Plan (April, 2006) which further defines the development of HLB Parcels 6-011, 6-016, and 6-017; and

WHEREAS, pursuant to AMC § 25.40.025A, the HLB Advisory Commission (HLBAC) shall hold a public hearing, with public notice as specified in this chapter, prior to making a recommendation to the Mayor and Assembly regarding the disposal of HLB land or an interest in land. Land disposals under this chapter include land sales, land exchanges, leases, and easements; and

WHEREAS, HLB issued a Request for Proposals consistent with AMC 25.40.025H; and

WHEREAS, the successful proposer was identified, and a Development Agreement was drafted and entered into on April 29, 2022 between CY Investments, LLC and the Municipality of Anchorage; and

WHEREAS, the *Heritage Land Bank 2021 Annual Work Program & 2022 – 2026 Five-Year Management Plan* did not anticipate this disposal, and pursuant to AMC 25.40.020B, sale activities require an amendment; and

WHEREAS, HLB posted the property and conducted public notice; and

WHEREAS, the HLBAC held public meetings on September 22 and October 27, 2022 ; and

WHEREAS, the HLBAC finds the disposal, subject to conditions, in the best interest of the Municipality and consistent with the HLB purpose and mission; now therefore,

BE IT RESOLVED:

THE HLBAC RECOMMENDS ASSEMBLY APPROVAL OF THE COMPETITIVE DISPOSAL OF PORTIONS OF HLB PARCELS 6-011, 6-016, AND 6-017, LEGALLY DESCRIBED AS TRACT I PRINCE ADDITION ALYESKA SUBDIVISION (PLAT 87-131)(PID 075-311-04-000), TRACT B GIRWOOD ELEMENTARY SCHOOL SUBDIVISION (PLAT 85-38)(PID 075-031-32-000), AND TRACT 9A SECTION 9 TOWNSHIP 10 NORTH RANGE 2 EAST (PLAT 73-220)(PID 075-041-31-000), TO CY INVESTMENTS LLC AS DESCRIBED IN THE DEVELOPMENT AGREEMENT BETWEEN THE DEVELOPER AND THE MUNICIPALITY OF ANCHORAGE DATED APRIL 29, 2022, SUBJECT TO THE FOLLOWING CONDITIONS:

1. All developers must submit applications for land use entitlements to the Girdwood Board of Supervisors (GBOS) for review prior to seeking official action by the designated decision-making body.
2. CY Investments LLC will restrict the use of any property in Holtan Hills, Phase I, to not include short-term rentals less than 30 days in duration, with a sunset provision eliminating this restriction when local ordinance is adopted otherwise regulating short term rentals.
3. Construction access through Hightower Road is prohibited.
4. CY Investments LLC will restrict twenty-five percent (25%) of the developed multi-family units to be identified and set apart for rental development and not sold individually.
5. The Developer continues to engage with the Girdwood Holtan Hills Housing Advisory Committee as the project progresses.

AND THE HLBAC RECOMMENDS ASSEMBLY APPROVAL OF THE AMENDMENT OF THE HLB 2021 ANNUAL WORK PROGRAM.

PASSED and APPROVED on this, the 17th day of November 2022.

Approved:

Attest:



Brett Wilbanks, Chair
Heritage Land Bank Advisory Commission



Lance Wilber, Executive Director
Community Development