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1-25-00
Postponed indefinitely

Submitted by: Assembly Member Clementson
Prepared by: Department of Community Planning
and Development and Department of
Law

For reading: OCTOBER 12, 1999

ANCHORAGE, ALASKA
AO NO. 99-109(S)

1 AN ORDINANCE AMENDING THE ANCHORAGE MUNICIPAL CODE BY
2 ENACTING A NEW CHAPTER 12.50 TO PROVIDE PROCEDURES FOR
3 DECLARATION OF A DETERIORATED AREA OR PROPERTY, INCLUDING
4 DEFINITIONS OF DETERIORATED AREA OR PROPERTY AND REHABILITATION,
5 AND REQUIRING A CONFIRMATION AND IMPACT STUDY (CIS), AND
6 REQUIRING THE ASSEMBLY TO HOLD A PUBLIC HEARING PRIOR TO
7 DECLARING A DETERIORATED AREA OR PROPERTY, APPLICATION
8 PROCEDURES FOR OBTAINING TAXATION EXEMPTION OR DEFERRAL.

9
10 WHEREAS Alaska Statute 29.45.050(o) enables municipalities to designate
11 deteriorated areas within which municipalities may grant tax exemptions and tax payment
12 deferrals for the renovation, rehabilitation or replacement of deteriorated property located
13 in such a deteriorated area; and

14
15 WHEREAS, Alaska Statute 29.45.050(o) requires the Municipality to determine what
16 is a "deteriorated area" but does not prescribe standards or procedures by which deteriorated
17 areas may be determined; and

18
19 WHEREAS, the Municipality and its citizens are entitled to reasonable assurances of
20 public benefit from tax exemptions and deferrals and rehabilitation of deteriorated property;

21
22 NOW THEREFORE, in order to fulfill the requirements of Alaska Statute 29.45.050(o) and
23 provide definitions and uniform standards and procedures for determining "deteriorated
24 areas" necessary for considering real property tax exemptions and deferrals;

25
26 THE ANCHORAGE ASSEMBLY ORDAINS:

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28 Section 1. Anchorage Municipal Code section 12.35.005 is hereby amended by amending
29 the definition of "deteriorated area" and "rehabilitation" to read as follows:

30
31 **12.35.005 Definitions**

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33 A. The following words, terms and phrases, when used in this chapter, shall have
34 the meanings ascribed to them in this section except where the context clearly

1 indicates a different meaning:

2 *Deteriorated area* means an area of the Municipality which the Municipality
3 determines is deteriorated as described in section 12.35.023A. of this chapter
4 and within which deteriorated property is located. [WHICH MEETS ONE OR
5 MORE OF THE FOLLOWING CRITERIA: UNSAFE, UNSANITARY OR
6 OVERCROWDED BUILDINGS; VACANT, OVERGROWN AND
7 UNSIGHTLY LOTS OF GROUND; A DISPROPORTIONATE NUMBER OF
8 TAX DELINQUENT PROPERTIES; EXCESSIVE LAND COVERAGE;
9 ECONOMICALLY OR SOCIALLY UNDESIRABLE LAND USES.
10 PROPERTY ADJACENT TO AREAS MEETING THESE CRITERIA, BUT
11 WHICH WOULD NOT OTHERWISE QUALIFY, MAY BE INCLUDED
12 WITHIN THE DETERIORATED AREA DESIGNATED IF THE
13 ASSEMBLY DETERMINES THAT NEW CONSTRUCTION ON SUCH
14 PROPERTY WOULD ENCOURAGE, ENHANCE OR ACCELERATE
15 IMPROVEMENT OF THE ADJACENT DETERIORATED PROPERTIES.]
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17 *Deteriorated property* means real property that is commercial property not used
18 for residential purposes or that is multi-unit residential property with at least
19 eight residential units, that is located in a deteriorated area with boundaries that
20 have been determined by the municipality after a public hearing and findings
21 of fact by the Assembly establishing the deteriorated condition, and that
22

23 1) has been the subject of an order by a government agency requiring the
24 property to be vacated, condemned or demolished by reason of
25 noncompliance with laws, ordinances or regulations; or
26

27 2) has a structure on it not less than 15 years of age that has undergone
28 substantial rehabilitation, renovation or replacement.
29

30 *Rehabilitation* means major repair, replacement, construction or reconstruction,
31 including alterations and additions, having the effect of rehabilitating a
32 deteriorated property so that it is no longer deteriorated and [SO THAT IT]
33 becomes habitable, [OR] attains higher standards of safety, health, economic
34 use [OR AMENITY], and [OR] is brought into compliance with laws,
35 ordinances or regulations governing such standards. Ordinary upkeep and
36 maintenance shall not be deemed rehabilitation.
37

Section 2. Anchorage Municipal Code section 12.35.010C. is hereby amended to read as follows:

12.35.010 Tax exemption of property.

C. Deteriorated property shall be partially or totally exempt from taxation under chapter 12.15 for up to five years starting in the year beginning January 1 after An application for exemption has been approved in accordance with section 12.35.025, and

2. Substantial completion or beneficial occupancy of the rehabilitation, renovation, or replacement.

Section 3. Anchorage Municipal Code is hereby amended by enacting new sections 12.35.023 and 12.35.024 to read as follows:

12.35.023 Purposes of Deteriorated Property Tax Exemptions and Deferrals

A. Real property structures within the Municipality may fall into disrepair, deteriorated or blighted conditions which negatively impair or prevent

1. The public health, safety and welfare of the area in which they are located and its environs;

2. The area's livability, economic stability, and attractiveness;

3. The maintenance and redevelopment of the area and its deteriorated structures;

which may combine to make private redevelopment economically unfeasible thereby creating a self-perpetuating decline in the Municipality's overall economic, residential, social and recreational attractiveness and its tax base.

B. The purpose of **deteriorated** real property tax exemptions and tax payment deferrals is to provide an economic incentive for the private rehabilitation, renovation or replacement of deteriorated structures without which the economic feasibility thereof may not warrant or encourage such private rehabilitation, renovation or replacement.

12.35.024 Application for and Determination of Deteriorated Area.

A. Application. Any person, governmental body, agency or the Mayor may file or direct the filing of an application requesting that the Assembly determine and declare an application-defined area of the municipality to be a deteriorated area. An application under this section shall be filed with the Director of the Department of Community Planning and Development, together with an application fee to be determined by the Director and the applicant's proposal for rehabilitation, renovation or replacement of structures. The application shall contain such other information the Director may reasonably require to prepare the staff analysis required by subsection B. of this section.

B. Planning Department Staff Analysis. A planning department staff analysis shall be made and forwarded to the Assembly by the Mayor.

The staff analysis shall assess and address whether, at a minimum:

- a. There is located within the application-defined deteriorated area deteriorated property which may be entitled to tax exemptions or tax payment deferrals under this chapter;
- b. The public health, safety and welfare, including building safety, code compliance and habitability of structures in the defined deteriorated area are substandard and in need of redevelopment through the rehabilitation, renovation or replacement, indicating the nature and extent of the deteriorated conditions;
- c. There is insufficient economic incentive for private investment to undertake the renovation, rehabilitation or replacement of the area's deteriorated structures;
- d. Tax exemptions and deferrals would make private redevelopment economically feasible and be an incentive for the rehabilitation, renovation or replacement of deteriorated structures;
- e. The application-defined area delineates the appropriate and necessary boundaries of the deteriorated area;

- f. Rehabilitation, renovation or replacement of structures and related amenities will eliminate the deteriorated conditions;
- g. There are economically feasible public or private alternatives to provide necessary redevelopment incentives;
- h. The Municipality's financial loss of tax revenue is limited to the minimum necessary to provide adequate and appropriate incentives under this chapter.

2. The Director of Community Planning and Development shall solicit and receive comments on and analysis of the application from all departments and agencies with an interest in or responsibility for some aspect of the redevelopment and shall include but not be limited to, the fire and police chiefs and directors of public works, health and human services, finance, and management and budget.

C. ***Public Hearing and Determination.*** After receipt of the Mayor's planning staff analysis, the Assembly shall set a public hearing on the application and proposal to consider the findings and recommendations of the Mayor and to receive such other evidence and information as may be presented.

Notice of the public hearing including the location, size and description of the application-defined deteriorated area shall be published, mailed or posted at least 21 days before the public hearing and shall state the date, time and location of the public hearing.

- a. The municipality shall provide notice by publication in a newspaper of general circulation in the municipality.
- b. The Department of Community Planning and Development shall provide notice by mailing to all owners and lessees of record of real property within the proposed deteriorated area.
- c. The applicant shall provide notice by posting the area subject to the application with notices visible from each improved street adjacent to or within the area. Before the public hearing, the applicant shall submit to the Department of Community Planning and Development an affidavit, signed by the person who caused the posting to be done, that notice was

posted as required by this subsection.

d. The staff analysis shall be available for public review for not less than 21 days prior to the public hearing.

e. The staff analysis shall be available for public review for not less than 21 days prior to the Assembly's public hearing.

2. *Assembly Action:* After public hearing and based upon substantial evidence submitted to the Assembly, including the Mayor's planning staff analysis, the Assembly shall make findings addressing each of the items listed in subsection B. of this section and, based upon such findings, may

a. Approve or deny the application as submitted with such conditions or modifications as the Assembly may deem appropriate;

b. Reduce the boundaries of the application-defined deteriorated area based on findings that a portion of the application-defined area is not eligible or appropriate for inclusion in the deteriorated area;

provided the Assembly first finds the deteriorated area is qualified as such under this chapter.

Section 4. This ordinance shall become effective immediately upon its passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this day of _____, 1999.

Chair of the Assembly

ATTEST:

Municipal Clerk

**Municipality of Anchorage
MUNICIPAL CLERK'S OFFICE
Agenda Document Control Sheet**

AO 99-109(S)

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

1	SUBJECT OF AGENDA DOCUMENT AN ORDINANCE ENACTING A NEW CHAPTER 12.50		
	TO PROVIDE PROCEDURES FOR DECLARATION OF A		
	DETERIORATED AREA OR PROPERTY ...		
2	DEPARTMENT NAME ASSEMBLY	DIRECTOR'S NAME GEORGE WUERCH, CHAIRMAN	HIS/HER PHONE NUMBER
3	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY		
4	COORDINATED WITH AND REVIEWED BY	INITIALS	DATE
	Mayor		
	Municipal Clerk		
	Municipal Attorney		
	Employee Relations		
	Municipal Manager		
	Community Planning & Development		
	Finance, Chief Fiscal Officer		
	Management Information Services		
	Office of Management & Budget		
	Property & Facility Management		
	Purchasing		
	Operations Manager		
	Cultural & Recreational Services		
	Fire		
	Health & Human Services		
	Merrill Field Airport		
	Municipal Light & Power		
	Police		
	Port of Anchorage		
	Public Works		
	Solid Waste Services		
	Transit		
	Water & Wastewater Utility		
	Other		
5	SPECIAL INSTRUCTIONS/COMMENTS		
	LAID ON THE TABLE ITEM		
6	ASSEMBLY HEARING DATE REQUESTED 10-12-99	7	PUBLIC HEARING DATE REQUESTED 10-12-99