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Submitted by: Assemblymember Tesche

For reading OCTOBER 12, 1999

ANCHORAGE, ALASKA  
AO NO. 99- 140

AN ORDINANCE AMENDING CHAPTER 12.35 OF THE ANCHORAGE  
MUNICIPAL CODE TO PROVIDE PROCEDURES FOR DESIGNATION OF A  
"DETERIORATED AREA."

THE ANCHORAGE ASSEMBLY ORDAINS:

**Section 1.** Anchorage Municipal Code section 12.35.005 is amended by deleting the bracketed portions and adding the portions that are underlined, as follows:

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*Deteriorated area* means an area which has been determined to be a deteriorated area pursuant to section 12.35.024 [MEETS ONE OR MORE OF THE FOLLOWING CRITERIA: UNSAFE, UNSANITARY, OR OVERCROWDED BUILDINGS; VACANT, OVERGROWN, AND UNSIGHTLY LOTS OF GROUND; A DISPROPORTIONATE NUMBER OF TAX DELINQUENT PROPERTIES; EXCESSIVE LAND COVERAGE; ECONOMICALLY OR SOCIALLY UNDESIRABLE LAND USES. PROPERTY ADJACENT TO AREAS MEETING THESE CRITERIA, BUT WHICH WOULD NOT OTHERWISE QUALIFY, MAY BE INCLUDED WITHIN THE DETERIORATED AREA DESIGNATED IF THE ASSEMBLY DETERMINES THAT NEW CONSTRUCTION ON SUCH PROPERTY WOULD ENCOURAGE, ENHANCE, OR ACCELERATE IMPROVEMENT OF THE ADJACENT DETERIORATED PROPERTIES].

*Deteriorated property* means real property that is commercial property not used for residential purposes or that is multi-unit residential property with at least eight residential units, [THAT IS LOCATED IN A DETERIORATED AREA WITH BOUNDARIES THAT HAVE BEEN DETERMINED BY THE MUNICIPALITY AFTER A PUBLIC HEARING AND FINDINGS OF FACT BY THE ASSEMBLY ESTABLISHING THE DETERIORATED CONDITION,]

and that

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

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

3) is located in a deteriorating or deteriorated area with boundaries that have been determined by the Municipality.

\* \*

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

**Section 2.** Anchorage Municipal Code section 12.35.010.C is amended by adding the portion that is underlined, as follows:

- 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
1. 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.** The Anchorage Municipal Code is hereby amended by adding new sections 12.35.023 and 12.35.024 to read as follows:

**12.35.023 Purpose of Deteriorated Property Tax Exemption and Tax Deferral.**

- A. Real property within the municipality may fall into a state of disrepair, deterioration, or blight which negatively impacts the public health, safety, and welfare of the area in which the property is located, the area's livability, economic stability, and attractiveness; and the maintenance and redevelopment of the area and structures within the area. Such conditions may make private redevelopment economically unfeasible and create a self-perpetuating decline in the municipality's overall economic, residential, social, and recreational attractiveness and its tax base.
- B. The purpose of deteriorated property tax exemptions and tax 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 Determination of Deteriorated Area.**

- A. *Application.* Any person or entity may request that the assembly determine that an area of the municipality is a deteriorated area. An application under this section shall be filed with the director of the department of community planning and development, together with the applicant's proposal for rehabilitation, renovation, or replacement of structures and an application fee to be determined by the director. The application shall contain such other information as the director may reasonably require for preparation of the staff analysis required by subsection B of this section.
- B. *Planning Department Staff Analysis.* A planning department staff analysis shall be prepared and forwarded to the assembly by the mayor.

1 The staff analysis shall address, at a minimum:

- a. The presence of deteriorated property within the proposed deteriorated area;

- b. The existence of any of the following conditions in the proposed deteriorated area: unsafe, unsanitary, or overcrowded buildings; vacant, overgrown, and unsightly lots of ground; a disproportionate number of tax delinquent properties; excessive land coverage; economic or socially undesirable land uses;
  - c. The extent to which structures in the proposed deteriorated area are substandard and in need of rehabilitation, renovation, or replacement;
  - d. The lack of economic incentive for private interests to undertake rehabilitation, renovation or replacement of deteriorated structures;
  - e. The appropriate boundaries for the proposed deteriorated area;
  - f. The extent to which rehabilitation, renovation or replacement of deteriorated structures can be expected to eliminate or mitigate undesirable conditions in the proposed deteriorated area; and
  - g. Whether, over a period of 15 years, the short-term loss of tax revenue attributable to the tax exemption will be balanced by a net gain in tax revenue attributable to increased property value resulting from the improvement.
2. Property adjacent to a proposed deteriorated area may be included within the deteriorated area designated if it is determined that new construction on such property would encourage, enhance, or accelerate improvement of the adjacent deteriorated properties.
3. The director of the department of community planning and development shall solicit comments on the application from departments and agencies with an interest in the proposed deteriorated area, including, without limitation, the fire and police chiefs and the directors of public works, health and human services, finance, and management and budget.

1           **B.    *Public Hearing.*** After receipt of the analysis, the assembly shall set a **public**  
2           hearing on the application.  
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4                   Notice of the public hearing shall be published, mailed or posted at  
5                   least 21 days before the public hearing and shall state the date, time  
6                   and location of the public hearing and a description of the  
7                   application.  
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- 9                   a.     The municipality shall provide notice by publication in a  
10                   newspaper of general circulation in the municipality.  
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12                   b.     The department of community planning and development shall  
13                   provide notice by mailing to all owners and lessees of record  
14                   of real property within the proposed deteriorated area.  
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16                   c.     The applicant shall provide notice by posting the area subject  
17                   to the application with notices visible from each improved  
18                   street adjacent to or within the area. Before the public  
19                   hearing, the applicant shall submit to the department of  
20                   community planning and development an affidavit, signed by  
21                   the person who did the posting or the person who caused the  
22                   posting to be done, that notice was posted as required by this  
23                   subsection.  
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25                   d.     The staff analysis shall be available for public review for not  
26                   less than 21 days prior to the public hearing.  
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28           2.    After the public hearing, the assembly shall make findings addressing  
29           each of the items listed in subsection B of this section based upon  
30           substantial evidence and the assembly may  
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- 32                   a.     Approve or deny the application as submitted or with such  
33                   conditions or modifications as the assembly may deem  
34                   appropriate; and  
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36                   b.     Change the boundaries of the proposed deteriorated area.  
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**Section 4.** This ordinance shall become effective immediately upon passage and approval by the Anchorage Assembly. This ordinance shall not apply to any application filed before this ordinance becomes effective.

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

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Chairman

**ATTEST:**

\_\_\_\_\_  
Municipal Clerk

AO 99-140

1	SUBJECT OF AGENDA DOCUMENT AN ORDINANCE TO PROVIDE PROCEDURES FOR		DATE PREPARED	
	DESIGNATION OF A "DETERIORATED AREA"		Indicate Documents Attached <input checked="" type="checkbox"/> AO <input type="checkbox"/> AR <input type="checkbox"/> AM <input type="checkbox"/> AIM	
2	DEPARTMENT NAME ASSEMBLY		DIRECTOR'S NAME GEORGE WUERCH, CHAIRMAN	
3	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY		HIS/HER PHONE NUMBER	
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			
	LAI'D ON THE TABLE ITEM			
6	ASSEMBLY HEARING DATE REQUESTED 10-12-99		7	PUBLIC HEARING DATE REQUESTED 12-7-99