

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Heritage Land Bank
For Reading: OCTOBER 17, 2000

ANCHORAGE, ALASKA
AO NO. 2000 - 151

**AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE AUTHORIZING A SOLE
SOURCE SALE BY THE HERITAGE LAND BANK (HLB) OF THE DEVELOPMENT
RIGHTS AND THE ESTABLISHMENT OF A CONSERVATION EASEMENT ON HLB
PARCEL NO. 5-018, A 159.83-ACRE PARCEL OF LAND COMMONLY KNOWN AS
TRACTS A & B, ASLS NO. 97-29, PLAT NO. 98-18 (KLATT BOG) TO TED STEVENS
ANCHORAGE INTERNATIONAL AIRPORT.**

WHEREAS, 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 the orderly development, and achieve the goals of the
Comprehensive Plan" (AMC 25.40.010); and,

WHEREAS, "The Heritage Land Bank Advisory Commission shall hold a public hearing
... prior to making a recommendation to the Mayor and Assembly regarding the disposal
of Heritage Land Bank land or an interest in land." (AMC 25.40.025.A); and,

WHEREAS, on July 12th and August 9th of this year the HLB Advisory Commission
conducted public hearings regarding the potential sale of development rights to HLB 5-
018, also known as Tracts A and B of Klatt Bog, located at the Minnesota Drive -
O'Malley Road curve; and

WHEREAS, both the 1999 and 2000 HLB Work Plans identify the 159-acre Klatt Bog as
important for future preservation, and propose the establishment of a Wetlands
Mitigation Bank offering the sale of mitigation credits to accommodate development in
other parts of the city; and

WHEREAS, "If land is withdrawn from the Heritage Land Bank inventory for use and
management by a public agency which is not supported by municipal taxes,
compensation shall be paid to the Heritage Land Bank for at least current appraised fair
market value of the land (AMC 25.40.015B);" and

WHEREAS, the Heritage Land Bank has commissioned a Market Value appraisal by a
certified appraiser of the Klatt Bog and associated lands for this transaction; and

WHEREAS, the Ted Stevens Anchorage International Airport (AIA) is Alaska's premier
international airport, providing commercial passenger service, international air cargo
service, and general aviation services, and is seeking expansion of those services via
overall facilities and property expansion; and,

WHEREAS, the HLB Advisory Commission recognizes additional consideration offered by AIA such as; the rehydration of Klatt Bog, the acquisition of the approximately 84 acres of adjacent wetlands, the granting of a right-of-way easement on the north side of Raspberry Road to the Municipality and the economic impact of additional tax revenues received by the Municipality as a result of further airport development as valuable consideration; and

WHEREAS, growth in aviation activity requires large tracts of land for public and private infrastructure, and an insufficient amount of non-wetland property remains at or near AIA for development, therefore requiring wetlands development by AIA; and

WHEREAS, demand for development mitigation credits has increased dramatically in the Anchorage Bowl, raising potential market value of wetlands, including the Klatt Bog complex; and

WHEREAS, the Klatt Bog wetlands complex would be able to provide up to 159 acres of wetlands mitigation in support of Airport expansion;

NOW THEREFORE, THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Notwithstanding AMC 25.40.010.E. and AMC 25.40.025, the Heritage Land Bank is hereby authorized to release its interest and sell the development rights in the fee simple estate of HLB Parcel #5-018, Tracts A and B, ASLS No. 97-29, to the Ted Stevens Anchorage International Airport on a sole source basis.

Section 2. The terms and conditions of the sole source sale will be substantially equivalent to the draft Memorandum of Understanding, attached as Exhibit A.

Section 3. That AIA reimburse the HLB for survey, platting and other associated costs already paid to the State of Alaska for the transfer of Klatt Bog, an amount not to exceed \$27,358.00.

Section 4. That AIA reimburse the HLB for appraisal costs of the following parcels; Tract B, Simpson Tracts, Plat #71-99, 40-acre Residentially-Zoned parcel in Klatt Bog, SE ¼ of NE ¼, Section 23, Projected R/W Acquisition costs along Raspberry Road and Tracts J and K, Edgewater PUD Subdivision, an amount not to exceed \$14,000.00.

6 Section 5. This Resolution shall be effective immediately upon passage.
7
8
9

10 PASSED AND APPROVED by the Anchorage Assembly this ____ day of _____
11 2000.
12
13
14

15 _____
16 Chair, Anchorage Assembly
17

18 Attest:
19
20
21
22

23 _____
24 Municipal Clerk
25
26
27

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2000- 151	Title: Sale of Development Rights for Klatt Bog (HLB Parcel #5-018)
Sponsor:	HLB
Preparing Agency:	Heritage Land Bank
Others Impacted:	

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

(Thousands of Dollars)

FY00

FY01

FY02

FY03

Operating Expenditures

1000 Personal Services

2000 Supplies

3000 Other Services

4000 Debt Service

5000 Capital Outlay

TOTAL DIRECT COSTS:

6000 IGCs

FUNCTION COST:

REVENUES: 380

380

CAPITAL:

POSITIONS:

PUBLIC SECTOR ECONOMIC EFFECTS:

In addition to the revenue of \$380,000, above, 84 acres of privately held wetlands in Klatt Bog, valued at \$1,175,000, will become tax exempt public land.

Lost tax revenues are estimated at \$20,340 based on average mill levy in 2000. Future lost revenues will track assessed valuation and mill levies for those years.

Cheryl Fraser

PRIVATE SECTOR ECONOMIC EFFECTS:

Development of 260 acres at Ted Stevens Anchorage International Airport for infrastructure improvements to include enhancement of commercial and general aviation facilities.

Prepared by: **Larry J. Houle**

Telephone: **343-4336**

Validated by OMB: *Cheryl Frasca*

Date: *18 Sept 00*

Approved by: *Larry J. Houle*

(Director, Preparing Agency)

Date: **September 8, 2000**