

CLERK'S OFFICE

APPROVED

Date: 11-20-01

Submitted by: Chairman of the Assembly at
the Request of the Mayor

Prepared by: Department of Law

For reading: September 25, 2001

9/25/01

ANCHORAGE, ALASKA

AO NO. 2001-168

168

68

1 AN ORDINANCE AUTHORIZING THE ACQUISITION AND EXCHANGE, LEASEBACK OR
2 OTHER DISPOSAL OF MUNICIPAL LAND ON OR NEAR THE SOUTHEAST CORNER OF
3 NORTHWOOD AND INTERNATIONAL AIRPORT ROADS AND THE BERING STREET
4 VEHICLE MAINTENANCE FACILITY NORTHEAST OF THE TUDOR ROAD AND ARCTIC
5 BOULEVARD INTERSECTION

6
7
8 WHEREAS, the Municipality, the Diamond Parking Company ("Diamond") and JL
9 Properties, Inc. ("JL") have entered into a non-binding Memorandum of Understanding to enter
10 into an interdependent series of real estate transactions for the exchange, lease-back, acquisition
11 and disposal of properties to enable the development of land along Northwood Road as residential,
12 to provide suitable land for Diamond's airport parking and storage business, and to accommodate
13 needs of the Municipality; and

14
15 WHEREAS, the parties desire to proceed toward the implementation of their understanding
16 without modifying the non-binding nature of their Memorandum of Understanding; now therefore,

17
18 THE ANCHORAGE ASSEMBLY ORDAINS:

19
20 Section 1. The Municipality of Anchorage, by and through its Administration, is hereby
21 authorized, subject to the other provisions of this ordinance to: (1) dispose, lease-back, and/or
22 exchange the following described property:

23 *Tract 2, International Subdivision (TID #010-521-10),*
24 *consisting of 11.31 acres and Zoned I-1; referred to herein as*
25 *the "Public Works Parcel" and located on the southeast corner*
26 *of Northwood and International Airport Roads;*

27
28 and

29 *Tract 2, Arctic Manor Subd. (TID #009-142-02), containing*
30 *2.32 acres and Zoned I-1 and Tract 1B, Arctic Manor Subd.*
31 *(TID #009-142-15), containing .072 acres and Zoned R-3;*
32 *together referred to as the "Bering Street Parcel";*

33
34 and (2) acquire the following described property:

35 *Tract 3B, C G Warehouse Subdivision (TID #012092-07),*
36 *consisting of 16.78 acres and Zoned I-1, and referred to as the*
37 *"Carr-Gottstein Parcel" located between 64th and Raspberry*
38

AM 816-2001

Am 8

(68th Street) to the east of C Street.

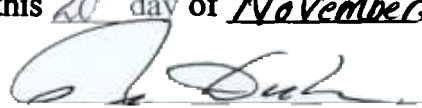
all of the foregoing for the purposes and as set-forth in the Memorandum of Understanding attached hereto.

Section 2. The Mayor or his designee is hereby authorized to take such actions and execute such documents, conveyances and agreements as are necessary and appropriate to effectuate the purposes and objects of the Memorandum of Understanding upon such terms and conditions as the Mayor may determine appropriate and in accordance with applicable laws and regulations.

Section 3. Nothing contained in this authorization in anyway amends, modifies, limits or implements the Memorandum of Understand attached hereto, but only grants the authorization specified.

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

PASSED AND APPROVED by the Anchorage Assembly this 20th day of November 2001


Chair of the Assembly

ATTEST:





MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 816 -2001

14

9/14/01

FROM: Mayor

MEETING DATE: September 25, 2001

SUBJECT: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE AUTHORIZING THE ACQUISITION AND EXCHANGE, LEASEBACK OR OTHER DISPOSAL OF MUNICIPAL LAND ON OR NEAR THE SOUTHEAST CORNER OF NORTHWOOD AND INTERNATIONAL AIRPORT ROADS, AND THE BERING STREET VEHICLE MAINTENANCE FACILITY LOCATED NORTHEAST OF THE TUDOR ROAD AND ARCTIC BOULEVARD INTERSECTION.

The attached Assembly Ordinance authorizes the Municipality of Anchorage to execute key transactions, which are part of an overall plan to resolve several land use issues. Specifically, this ordinance allows the Mayor to dispose of an 11.31-acre tract located on the southeast corner of Northwood and International Airport Roads. The property would be sold to Diamond Parking, Inc. The ordinance also allows the Mayor to sell and lease back the two lots (totaling 2.4 acres) to the MOA that comprise the Bering Street Vehicle Maintenance facility located northeast of the Tudor Road and Arctic Boulevard intersection.

The Municipality provides a win-win solution for several land use issues in the Spenard and mid-town areas. The catalyst for this action began when Diamond Parking, Inc. proposed to construct a 1,000-car off-airport parking lot near the corner of Northwood Avenue and International Airport Road. The Spenard Community Council objected to the proposal, citing traffic, lighting and incompatible land use with the neighborhood. The MOA also recognized that its current use of the Planning, Development and Public Works parcel south of International Airport Road was not the most appropriate use for land along the city's primary gateway to the airport. Public Works also desired to centralize several of their activities if a suitable industrial parcel could be found.

The attached non-binding Memorandum of Understanding (MOU) seeks to resolve these issues through a series of land transactions, and two rezones.

The alignment of properties outlined in the MOU would have the following results

- 1) The proposed 1,000-car parking lot would be constructed on the south side of International Airport Boulevard, on land located beneath the 65-70 airport Dnl noise contours. The parking lot is compatible with surrounding industrial and commercial land use, and is accessible via the frontage road to International Airport Road.
- 2) A portion of the municipal public works property located on the south side of International Airport Road would be sold to Diamond Parking, Inc.

- 3) The Municipality of Anchorage will acquire the Carr-Gottstein parcel from JL Properties. Public Works as well as other municipal agencies can use all or a portion of this property, and if not needed, any excess can be sold to the private sector.
- 4) Instead of a parking lot, the Northwood property, if rezoned, will be planned to receive multi-family housing, land set aside as a potential school reserve, land for a private elementary school, and potential hotel expansion of the existing Microtel. While this proposal also increases traffic to the neighborhood, the vast majority of the traffic would be local residents instead of transient traffic using an airport parking lot.
- 5) JL Properties, if the rezoning is approved from R-4 to B-3, will be able to develop the Centerpoint parcel as a commercial development, working toward creating a major employment center in Mid-town. This proposed rezone also provides an economic incentive for JL Properties to construct multi-family housing proposed for the Northwood property.

A Summary of Economic Effects will be provided to the Assembly at the conclusion of real estate negotiations between the parties. A subsequent Assembly Memorandum will detail the final terms of the agreement.

Questions have been asked about why this proposal is being fast-tracked. First, Diamond Parking is fully within their rights to proceed on the expansive parking lot on the Northwood site at any time. They have asked that we proceed diligently with a counter-proposal. Second, the MOU affects seven different parcels held by the MOA (3), JL Properties (2), Carr-Gottstein (1), and Diamond Parking (1). It would be unrealistic to hold all of these properties hostage to a lengthy review process.

THE ADMINISTRATION RECOMMENDS APPROVAL OF ORDINANCE NO. 2001- 168.

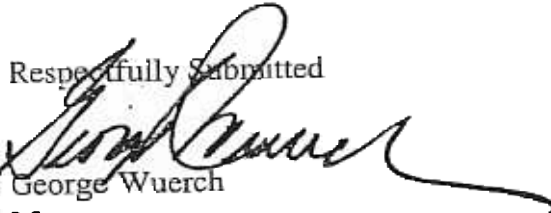
Concur:


Harry J. Kieling, Jr.
Municipal Manager

Prepared by:


George J. Cannelos
Director, Heritage Land Bank

Respectfully Submitted


George Wuerch
Mayor

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is entered into this 13~~th~~ day of September, 2001, by and between the Municipality of Anchorage ("MOA"), Diamond Parking Company ("Diamond") and JL Properties, Inc., ("JL")

RECITALS

A. Diamond represents that:

Diamond desires a site of approximately 15 acres in the airport corridor on which it may conduct a parking and storage business operation.

Diamond owns two parcels of real property containing a total of 12.8 acres and described as:

Tract A, Crossroads Business Park (TID #010-511-14), consisting of 5.31 acres and Zoned ROSL I-1; (referred to herein as "Northwood Parcel 1");

and

Tract B, Crossroads Business Park (TID #01-511-15), consisting of 7.49 acres and Zoned ROSL I-1 (referred to herein as "Northwood Parcel 2")

Both parcels together referred to herein as the "Northwood Parcels" and both located, between Northwood Avenue and Van Buren Street.

- (3) Diamond proposed to develop the Crossroads Parcels as a parking and storage facility (Northwood Parking and Storage Development) which requires one of the Northwood parcels to be rezoned.

The Spenard Community Council is opposed to aspects of the proposed development and desires that the Northwood Parcels be developed as residential.

B. The MOA represents that:

MOA owns the real property, described as:

Tract 2, International Subdivision (TID #010-521-10), consisting of 11.31 acres and Zoned I-1, referred to herein as the "Public Works Parcel" and located on the southeast corner of Northwood and International Airport Roads adjacent to JL's International East Parcel.

The MOA has identified the Public Works Parcel for use by the MOA's road maintenance activities. MOA recognizes that the contemplated street maintenance use is not the highest and best use of the Public Works Parcel.

(2) MOA owns the real property described as:

Tract 2, Arctic Manor Subd. (TID #009-142-02), containing 2.32 acres and Zoned I-1 referred to herein as the "Bering Street Parcel" and

Tract 1B, Arctic Manor Subd. (TID #009-142-15), containing .072 acres and Zoned R-3

The MOA desires to relocate its Bering Street vehicle facility and operations to a site where other related activities may be performed.

C. JL represents that:

(1) JL owns the real property described as:

Tract 6, International East #1 (TID #010-521-12), consisting of 4.13 acres and Zoned I-1

and

referred to herein as the “International East Parcel” located to the east of and adjacent to MOA’s Public Works Parcel.

JL has the right to purchase from the Carr-Gottstein Company the real property described as:

Tract 3B, C G Warehouse Subdivision (TID #012-092-07), consisting of 16.78 acres and Zoned I-1

and

referred to herein as the “Carr-Gottstein Parcel” located between 64th and Raspberry (68th Street) to the east of C Street.

The Carr-Gottstein Parcel includes sufficient acreage on which the MOA may undertake its road maintenance activities. This parcel provides a central location from which to consolidate a number of public works activities for the benefit of the MOA.

JL owns the real property described as:

Tract C, Centerpoint Subd. (TID #009-071-28), consisting of 15.07 acres and zoned R-3 (MOU says that it’s zoned R-4).

and

referred to herein as the “Centerpoint Parcel” and located between W. 36th Avenue and W. 40th Avenue, and west of Eureka Street.

JL desires to use the Centerpoint Parcel to develop a business park for office/business development.

D. Diamond, JL, and the MOA believe the ownership, zoning and use of the above listed parcels can be realigned to better serve the community interest.

STATEMENT of INTENT and UNDERSTANDING

1 Diamond would transfer ownership of the Northwood Parcels to JL and provide a payment of \$1 million to JL. MOA would transfer ownership of the

Public Works Parcel to Diamond and JL would transfer ownership of the International East Parcel to Diamond.

2. The MOA would transfer ownership of the Bering Street Parcel to JL and enter into a lease with JL of the Bering Street facilities.

3. In exchange for MOA's parcels transferred to Diamond and JL, JL would purchase the Carr-Gottstein Parcel and transfer ownership to the MOA.

4. JL would work with the MOA and the Spenard Community Council to develop a comprehensive plan for the future residential development of the Northwood Parcels and would support rezoning of the Northwood Parcels to provide for such residential use and development, provided the rezoning would reserve adequate portions of the Northwood Parcels for (a) a school site the MOA would have the option to purchase for expansion of the Northwood Elementary School; and (b) a 2.5-acre site adjacent to the reserved school site for use as a private, pre-kindergarten through elementary school.

5. JL desires to rezone the Centerpoint Parcel from R-4 to B-3. This rezone would facilitate development of residential units to the Spenard area, since the MOA and JL would work to develop the Northwood property as residential, instead of the Centerpoint Parcel.

6. All parties pledge to work in good faith to effectuate all aspects of this Memorandum of Understanding on or before October 1, 2001, provided however, the parties understand and covenant that:

(a) This Memorandum of Understanding is a non-binding expression of the parties' intent and the transfers of real property and other actions

require the further negotiation and execution of definitive agreements as well as the approval of independent governmental bodies; and

The transfers of real property ownership set out above are interdependent and are subject to and conditioned on such other and additional consideration, terms, and conditions, including indemnifications and/or assumptions of responsibilities with respect to pre-existing environmental conditions of the real property parcels, as the parties, in their individual sole and absolute discretion, may agree to; and

The MOA agrees to enter into a mutually acceptable indemnification agreement with Diamond with respect to preexisting environmental conditions affecting the MOA's Public Works Parcel.

(d) The MOA agrees to enter into a mutually acceptable indemnification agreement with JL with respect to preexisting environmental conditions affecting the MOA's Bering Street Parcel

Without cause, any party to this Memorandum of Understanding may unilaterally and in their sole and absolute discretion terminate and withdraw from further participation in this MOU at any time. In the event of such termination and withdrawal no party shall have any liability or obligation of any kind or nature whatsoever to any other party and each party shall bear their own costs, expenses and damages, including attorneys fees and costs, incurred under or in connection with this MOU.

MUNICIPALITY OF ANCHORAGE

By: 

George P. Wuerch, Mayor

DIAMOND PARKING COMPANY

By: 

Michael C. Nealy

JL PROPERTIES, INC.

By: 

Jonathan B. Rubini

Submitted by: Assemblymembers SULLIVAN
Von Gemmingen
Prepared by: Assembly Office
For reading: August 28, 2001

CLERK'S OFFICE
AMENDED AND APPROVED

Date: 8-28-01

ANCHORAGE, ALASKA
AR NO. 2001- 253

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY ENCOURAGING THE
ADMINISTRATION TO PURSUE A MEMORANDUM OF AGREEMENT FOR A PUBLIC-
PRIVATE PARTNERSHIP TO RESOLVE SEVERAL LAND USE ISSUES**

WHEREAS, the Spenard Community Council and the neighbors living in the
Northwood area oppose further expansion of industrial development in their area; and

WHEREAS, the Municipality of Anchorage recognizes that locating street
maintenance support on the entrance corridor to the Ted Stevens International Airport is
not the highest and best use of Municipal property; and

WHEREAS, the addition of residential housing near Northwood Elementary school
would be a desirable use of land/as opposed to additional industrial development in the
area; and from a neighborhood viewpoint

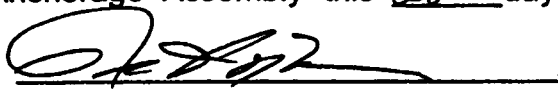
WHEREAS, there appears to be a unique opportunity for a public-private
partnership to resolve these land use issues through a series of land exchanges, transfers,
and/or and/or
~~and rezones.~~

NOW, THEREFORE, the Anchorage Assembly resolves:

Section 1: That the Administration and the private parties involved are encouraged
to work together to develop a mutually beneficial Memorandum of Agreement and provide
the Assembly and the public with full details of the proposed transactions.

Section 2: That this resolution is effective immediately upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this 28th day of
August, 2001.


Chair

ATTEST:


Municipal Clerk

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

AO 2001-168

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

1	SUBJECT OF AGENDA DOCUMENT NORTHWOOD LAND EXCHANGE	DATE PREPARED 9/20/01	
		Indicate Documents Attached <input checked="" type="checkbox"/> AO <input type="checkbox"/> AR <input checked="" type="checkbox"/> AM <input type="checkbox"/> AIM	
2	DEPARTMENT NAME HERITAGE LAND BANK	DIRECTOR'S NAME	
3	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY GEORGE J. CANNELOS	HIS/HER PHONE NUMBER 4337	
4	COORDINATED WITH AND REVIEWED BY	INITIALS	DATE
<input checked="" type="checkbox"/>	Mayor		
<input checked="" type="checkbox"/>	Heritage Land Bank	SJC	9/24/01
	Merrill Field Airport		
	Municipal Light & Power		
	Port of Anchorage		
	Solid Waste Services		
	Water & Wastewater Utility		
<input checked="" type="checkbox"/>	Municipal Manager	cec	9/29/01
	Cultural & Recreational Services		
	Employee Relations		
	Finance, Chief Fiscal Officer		
	Fire		
	Health & Human Services		
<input checked="" type="checkbox"/>	Office of Management and Budget	SEE PENDING 93	
	Management Information Services		
	Police		
	Planning, Development & Public Works		
	Development Services		
	Facility Management		
	Planning		
	Project Management & Engineering		
	Street Maintenance		
	Traffic		
	Public Transportation Department		
	Purchasing		
<input checked="" type="checkbox"/>	Municipal Attorney	WJF	9/25/01
	Municipal Clerk		
	Other		
5	Special Instructions/Comments		
	9.F.S. - Introduction		
6	ASSEMBLY HEARING DATE REQUESTED 9/25/01	7	PUBLIC HEARING DATE REQUESTED 10/23/01

2001 SEP 25 PM 12:23
 M.O.A.
 CLERK'S OFFICE