

*Postponed indefinitely 9/10/02*

Submitted by: Assemblymember TESCHE  
Prepared by: Department of Assembly  
For reading: August 6, 2002

**ANCHORAGE ALASKA  
AO NO. 2002-124**

**AN ORDINANCE DESIGNATING CERTAIN PROPERTY IN THE DOWNTOWN  
BUSINESS DISTRICT AS A DETERIORATED AREA UNDER AMC CHAPTER 12.35 AND  
AS 29.45.050(O), PROVIDING THAT REAL PROPERTY SITUATED THEREIN IS  
DETERIORATED PROPERTY AND PROVIDING THAT SUCH PROPERTY QUALIFIES  
FOR A DETERIORATED PROPERTY TAX EXEMPTION & DEFERRAL UNDER AMC  
CHAPTER 12.35**

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WHEREAS, Chapter 12.35 and AS 29.45.050(o) provide for a tax exemption and deferral for real property located in a deteriorated or deteriorating area whose boundaries are hereby determined by the Assembly; and

WHEREAS, Block 48 (between 5<sup>th</sup> and 6<sup>th</sup> Avenues and between C and B Streets) is vacant and the land use is economically and socially undesirable under the Comprehensive Development Plan for 2020 (2020 Plan); and

WHEREAS, the property has remained vacant and undeveloped for more than 15 years becoming an effective barrier to the eastward expansion and renewal of the Downtown Core; and

WHEREAS, the immediate development of the property in accordance with the 2020 Plan and with the highest aesthetic values is in the public interest; and

WHEREAS, a development proposal for the National Park Service Regional Headquarters building on the north half of Block 48 has been presented to the Assembly, including limitations imposed on the project by recently adopted Anti-Terrorist measures enforced by the General Services Administration (GSA); and

WHEREAS, the GSA limitations are likely, in the absence of tax relief under AMC Chapter 12.35, to significantly reduce the project's benefit to the Downtown Business District and the project's furtherance of the 2020 Plan; and

WHEREAS, the partial exemption of taxes on the property appears to have the greatest chance of resulting in a renewal of the vacant area with a project design that will enhance the Downtown Business District and further the objectives of the 2020 Plan; and

WHEREAS, the Department of the Chief Fiscal Officer has reviewed and processed an application for a partial tax exemption and deferral under AMC Chapter 12.35; and

WHEREAS, the Assembly finds the property qualifies for tax relief under State and Municipal law.

NOW, THEREFORE, the Assembly ordains

**Section 1:** That the following described property is designated as a Deteriorated Area of the Municipality and as such meets the specific eligibility requirements for Deteriorated Property for purposes of a written application for a partial tax exemption under AMC Chapter 12.35:

Parcel No. 1:

Lot One "A" (1A), Block Forty-eight (48), ANCHORAGE TOWNSITE, according to the official plat thereof, filed under Plat No. 92-126, in the records of the Anchorage Recording District, Third Judicial District, State of Alaska.

Parcel No. 2:

A non-exclusive easement for the sole purpose of constructing, attaching, connecting, operating, maintaining and repairing a skybridge (the "Skybridge") from any future development as reserved in the Limited Warranty Deed recorded January 21, 1994 in Book 2581 at Page 835, over portion of Fragment Lots 1 and 2 of Tract A, Block 49, Anchorage Original Townsite Plat 86-173 to:

the east side of the outside demising wall of Space 202 (second floor) and Space 308 (third floor) located on said Fragment Lots 1 and 2 of Tract A, Block 49, Anchorage Original Townsite Plat 86-173.

**Section 2:** The property described in Section 1, above shall be partially exempt from real property taxes under AMC 12.15 for a period of five years starting January 1, 2004. The real property tax on the subject property shall thereafter be deferred for a period of five years.

**Section 3:** The amount of the partial tax exemption provided in Section 2, above, shall be [insert dollar amount that is estimated to amortize extra expenditures in a five year period] in each of five tax years beginning January 1, 2004.

PASSED and approved by the Anchorage Assembly this \_\_\_\_ day of \_\_\_\_, 2002

\_\_\_\_\_  
Chair

ATTEST:

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

*Postponed Indefinitely 9/10/02*



**MUNICIPALITY OF ANCHORAGE**  
**ASSEMBLY MEMORANDUM**  
**NO. 727-2002**

Meeting Date: August 6, 2002

**From:** Assemblymember Tesche  
**Subject:** **AN ORDINANCE DESIGNATING CERTAIN PROPERTY IN THE DOWNTOWN BUSINESS DISTRICT AS A DETERIORATED AREA UNDER AMC CHAPTER 12.35 AND AS 29.45.050(O), PROVIDING THAT REAL PROPERTY SITUATED THEREIN IS DETERIORATED PROPERTY AND PROVIDING THAT SUCH PROPERTY QUALIFIES FOR A DETERIORATED PROPERTY TAX EXEMPTION & DEFERRAL UNDER AMC CHAPTER 12.35**

The downtown block between 5<sup>th</sup> & 6<sup>th</sup> Ave. and between B & C Streets has been vacant for a protracted period becoming an economically and socially undesirable land use. The vacant block is effectively a barrier to the eastward expansion of the Downtown core. Now, there is a possibility that the north half of the site might be developed in accordance with the most favored use possible under the New 2020 Plan. Developers with control of the area are the apparent winners of a bid to build the National Forest Service Regional Headquarters.

Unfortunately, after the bidding ended the GSA imposed a new and drastically increased anti-terrorist setback requirement that precludes the original plan. Compliance with the new setbacks and the reorientation of the building makes it unfeasible to proceed in the way originally intended, and with the highest level of aesthetic values. The Municipality might thus lose the opportunity to see the project deliver a real showpiece to the eastern approach to the city.

Fortunately, the Municipality can participate in achieving a more desirable result. The parcel's long-standing vacant status, along with the defined goals of the 2020 Plan, permit the Assembly to establish its' boundaries as a Deteriorated Area and define it as a Deteriorated Property. The developers could then receive a partial tax exemption under a written application to the Chief Fiscal Officer (to be submitted upon the introduction of AO 2002-124). Review by the Chief Fiscal Officer and the developers will provide the Assembly with a chance to review a final incentive proposal at the public hearing on AO 2002-124. The review process will match the level of tax relief to the benefits the project enhancements will deliver to the public.

Approval of AO 2002-124 will adopt legislative findings defining the conditions that establish the property's specific eligibility for a partial exemption under State and local law. The ordinance will also fix the level of tax incentive that is necessary to achieve the public interest. During the public hearing on AO 2002-124, the Assembly will retain full discretion to approve, deny, or modify the exemption request.

Respectfully submitted,

*Allan Tesche*  
Allan Tesche

Assemblymember

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

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

*Ap 2002-124*

<b>1</b>	<b>SUBJECT OF AGENDA DOCUMENT</b>  An Ordinance Designating Certain Property in the Downtown Business District as a Deteriorated Area under AMC Chapter 12.35 and as 29.45.050(O)	<b>DATE PREPARED</b>  6-Aug-02  Indicate Documents Attached <input checked="" type="checkbox"/> AO <input type="checkbox"/> AR <input checked="" type="checkbox"/> AM <input type="checkbox"/> AIM																																																										
<b>2</b>	<b>DEPARTMENT NAME</b> Assembly	<b>DIRECTOR'S NAME</b> Greg Moyer																																																										
<b>3</b>	<b>THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY</b>	<b>HIS/HER PHONE NUMBER</b>																																																										
<b>4</b>	<b>COORDINATED WITH AND REVIEWED BY</b>	<table style="width: 100%;"> <tr> <th style="width: 40%;">INITIALS</th> <th style="width: 60%;">DATE</th> </tr> <tr><td>Mayor</td><td></td></tr> <tr><td>Heritage Land Bank</td><td></td></tr> <tr><td>Merrill Field Airport</td><td></td></tr> <tr><td>Municipal Light &amp; Power</td><td></td></tr> <tr><td>Port of Anchorage</td><td></td></tr> <tr><td>Solid Waste Services</td><td></td></tr> <tr><td>Water &amp; Wastewater Utility</td><td></td></tr> <tr><td>Municipal Manager</td><td></td></tr> <tr><td>Cultural &amp; Recreational Services</td><td></td></tr> <tr><td>Employee Relations</td><td></td></tr> <tr><td>Finance, Chief Fiscal Officer</td><td></td></tr> <tr><td>Fire</td><td></td></tr> <tr><td>Health &amp; Human Services</td><td></td></tr> <tr><td>Office of Management and Budget</td><td></td></tr> <tr><td>Management Information Services</td><td></td></tr> <tr><td>Police</td><td></td></tr> <tr><td>Planning, Development &amp; Public Works</td><td></td></tr> <tr><td>Development Services</td><td></td></tr> <tr><td>Facility Management</td><td></td></tr> <tr><td>Planning</td><td></td></tr> <tr><td>Project Management &amp; Engineering</td><td></td></tr> <tr><td>Street Maintenance</td><td></td></tr> <tr><td>Traffic</td><td></td></tr> <tr><td>Public Transportation Department</td><td></td></tr> <tr><td>Purchasing</td><td></td></tr> <tr><td>Municipal Attorney</td><td></td></tr> <tr><td>Municipal Clerk</td><td></td></tr> <tr><td>Other</td><td></td></tr> </table>	INITIALS	DATE	Mayor		Heritage Land Bank		Merrill Field Airport		Municipal Light & Power		Port of Anchorage		Solid Waste Services		Water & Wastewater Utility		Municipal Manager		Cultural & Recreational Services		Employee Relations		Finance, Chief Fiscal Officer		Fire		Health & Human Services		Office of Management and Budget		Management Information Services		Police		Planning, Development & Public Works		Development Services		Facility Management		Planning		Project Management & Engineering		Street Maintenance		Traffic		Public Transportation Department		Purchasing		Municipal Attorney		Municipal Clerk		Other	
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<b>5</b>	<b>Special Instructions/Comments</b>  <div style="text-align: right; margin-right: 50px;"> <i>Addendum</i>  <i>Introduction</i> </div>																																																											
<b>6</b>	<b>ASSEMBLY HEARING DATE REQUESTED</b> <i>8/6/02</i>	<b>7</b>																																																										
		<b>PUBLIC HEARING DATE REQUESTED</b> September 10, 2002																																																										

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CLERK'S OFFICE  
M.O.A.