Relationship to Zoning and Other Implementation Actions

The Anchorage 2040 Land Use Plan, along with other elements of the Comprehensive Plan, provides policy direction for future land use decisions, such as rezonings, changes to development regulations, public facility site selections, and infrastructure investments. Future actions like these will implement the Comprehensive Plan.

The 2040 LUP by itself does not alter existing zoning or change the land use regulations that apply to a parcel of land. The rights of property owners to use land as zoned at the time of this Plan’s adoption remain unaffected. Many recommendations of the 2040 LUP will take years or decades to implement.

While the 2040 LUP recommends future land uses and a range of potential intensities of use, it is zoning that sets the rules for the use of property, lot size, setbacks, building heights, and other site attributes. These land use regulations (Title 21 of the Anchorage Municipal Code) apply as zoning districts delineated on the municipal Zoning Map. Changes to the Zoning Map or Title 21 land use regulations are public processes that include community input.

Amendments to Title 21, the Zoning Map, and other discretionary municipal actions will be consistent with the 2040 LUP and other Comprehensive Plan policies. Section 3 provides more detail regarding the strategies and actions to carry out the 2040 LUP.

1.2 Forecasting Growth

A land use plan and forecasting effort cannot precisely predict the future 25 years from now, nor can it influence macro-economic factors, such as the price of oil or its production volumes. However, it can determine intentions of Anchorage to provide space for and guide development toward scenarios in which the Municipality attracts talent, investment, and economic growth as the continued commercial and industry hub for all of Alaska.

Moving forward, the Anchorage 2040 Land Use Plan assumes a healthy while moderate forecast average annual population growth rate of at least 0.8 percent between 2015-2040—leaving room for the residential, commercial, and industrial land markets and also for the foundation for orderly, predictable, equitable, and sustained growth beyond 2040.

Section 1.2 summarizes the forecast for population, households, and employment growth in the Anchorage Bowl in context of surrounding communities; compares the resulting future demand for housing and employment sites with present land supply; and explains how the 2040 LUP performs to reconcile gaps in the land market between demand and supply.

Anchorage 2040 Growth Forecast

Over the next 25 years, the Anchorage Bowl is expected to add as many as 45,000 people, 21,000 households, and 44,000 jobs. This represents the Anchorage Bowl’s share of the region’s projected growth through the year 2040.

This expected growth represents an average annual population growth rate of 0.8%, and would yield a total population of 362,070 by 2040, the vast majority of which would reside in the Anchorage Bowl.

The continued role of Anchorage as Alaska’s commercial and industry hub, even into the uncertain future, is expected to drive an average, annual employment growth rate of 0.9%, yielding total employment of 220,280 by 2040, again the vast majority of which would be based in the Anchorage Bowl.

The Anchorage 2040 Land Use Plan considers these likely growth scenarios for land needs planning, as well as several other potential scenarios for growth given future economic uncertainty. In other words, it provides capacity to perform well under any of the most likely growth scenarios.

When considering future land need in Anchorage, particularly in the middle of economic uncertainty, the Municipality can either plan for lower expectations of growth
And yet, challenges remain—some of which municipal land use policy can measurably address and improve:

- Housing choice availability at different affordability levels and types.
- Diversification of the Anchorage economy with emphasis on sustainable, family-wage jobs.
- Greater availability and diversity of commercial goods and services.

The 2040 LUP seeks to improve capacity and types of housing to alleviate costs, as well as balance the need to retain and even add industrial business land and site availability— with its high value business investment and higher-wage jobs—with needed commercial goods and services offerings in the Anchorage Bowl.

Growing within the Regional Context

The 2040 LUP accommodates the Anchorage Bowl’s share of growth forecast for the metropolitan region. It coordinates with the anticipated share of future population and jobs to go to other parts of the region, which includes Chugiak-Eagle River, Joint Base Elmendorf -Richardson (JBER), and Turnagain Arm and Girdwood within the Municipality, and the Matanuska-Susitna Borough (MSB). (See regional map inset on page 9).

Chugiak-Eagle River is the Municipality’s second largest settlement, and includes most of the remaining vacant land reserves in the Municipality. The Chugiak-Eagle River Comprehensive Plan accommodates additional future population, residences, and businesses, while preserving open space and neighborhood character. It envisions new neighborhood areas developing in a phased sequence, bringing streets and water and wastewater services to development areas of the Powder Reserve and then other land reserves further north.

The 2040 LUP reflects Chugiak-Eagle River Plan’s anticipated growth at a somewhat higher rate than the rest of the Municipality, such that Chugiak-Eagle River will accommodate 15 percent of the Municipality’s population by 2040.

The 2040 LUP growth forecast accounts for a Knik Arm Crossing (KAC) to the MSB that is still forecasted to potentially become operational within the latter part of the 2040 time horizon, and accounts for growth and movement of some housing and jobs into MSB as a result of a KAC. If a KAC were not available by 2040, then a somewhat higher demand for land than provided in the base case might be expected. Either way, because the KAC comes later in the 2040 plan horizon and other factors, the KAC is expected to have only a moderate effect on overall jobs and housing demand.

Who Are We Planning For?

The 2040 LUP is intended to provide for the people who live and work in Anchorage today, and for those who will make up Anchorage in 2040. This includes the children and the
newcomers who will arrive for education, family, job and quality of life opportunities. While it is difficult to predict the specific community composition in age, incomes, household, and structures, recent trends provide a general picture about the future population:

- Accelerated growth in aging households and smaller households with fewer children.
- Continued evolution into one of the most racially and ethnically diverse communities in the U.S.
- Diverse households and income levels that need more affordable housing options and more transportation choices.
- Talented professionals from all fields who are attracted to Anchorage’s unique setting.
- A growing number of multigenerational families and less transient population.

**Capacity for Growth in Anchorage’s Land Use System**

While Anchorage’s population is diverse, it is a “community of place,” where all people and activities share the same specific land space bounded by the Cook Inlet, Chugach Range, and military base lands. Land with residences on it—either a big apartment building or a small house—is called residential. Land used for activities like offices, shops, restaurants, warehouses, or factories is called non-residential. Land that is awaiting development may be called vacant, particularly if it has been untouched by development. Land that has previously been developed, but could see new uses of greater intensity including greater height, are called redevelopable. And land that is preserved or serves as outdoor recreation is called open space. How land uses relate to one another is often a source of considerable conflict, particularly as those uses change over time and the supply of vacant land becomes more constrained.

Development capacity is an estimate of the amount of new residential or non-residential development (homes, apartments, stores, factories, etc.) that could occur in this space under current zoning and market trends. It can be compared to how much demand for development is likely from the population and employment growth forecasts. This provides a basis for evaluating changes in land use.

**Housing Space Needs**

Overall, Anchorage has an identified need for 21,000 new residential units to meet the needs of population growth through 2040. The 21,000 new households translates into a need for a net gain of 840 housing units per year in the Anchorage Bowl.

Residentially zoned vacant buildable land capacity for additional housing is estimated at approximately 9,700 housing units, based on historical achieved housing densities in the Bowl. This would indicate a total capacity shortfall of 11,300 housing units.

Commercially zoned lands provide some additional capacity but do not close the deficit. Based on historical yields per acre, Anchorage’s non-residential vacant lands would provide capacity for an additional 700 housing units, bringing the total vacant land capacity estimate to 10,400 additional units.

Redevelopable lands also provide housing potential. Recent historical redevelopment rates and the characteristics of lots which redeveloped during 2000-2015 indicate a redevelopment capacity of 2,500 dwellings, based on current zoning.

Information regarding housing capacity and needs by housing type is provided in Appendix B.

**Space for Employment**

The 2040 LUP also has the challenge of addressing the need to provide both adequate industrial land and commercial land for future employment and business growth in Anchorage.

Through 2040, Anchorage is estimated to need to accommodate 677 acres of industrial land development—395 acres of which will be due
to traditional industrial firms, such as manufacturers and transportation firms. At the same time, Anchorage is estimated to also need 816 acres to accommodate commercial development, 532 acres of which are expected to be retail goods and services.

If Anchorage continues to grow according to long-traditional patterns—including lower-intensity uses and commercial encroachment upon industrial lands—a shortage of both commercial and industrial land and sites for future business expansion will be assured.

The 2040 LUP, however, provides for policies and strategies that will serve to retain and protect industrial family-wage jobs, while also facilitating greater intensity of commercial uses that, unlike industrial factories and facilities, cannot build and operate in multistory structures as can office and commercial uses.

**Space for Industrial Traded Sectors**

In seeking future balance between commercial and industrial uses, the Municipality of Anchorage identified its essential, core industrial sectors that serve as the foundation of much other industry and employment in the local economy.

These industrial "Traded Sectors" utilize industrial land and pay significantly higher wages than other sectors because they disproportionate export goods and services both domestically and internationally. They also purchase significant volume of goods and services from other local businesses in Anchorage, driving much other local commerce and employment.

These sectors were identified as:
- Various Manufacturing Businesses
- Power Generation
- Non-Metal Mineral Mining
- Air & Water Transportation
- Professional & Technical (Business) Services

The 2040 LUP prioritizes these sectors and their business site and land needs to preserve and grow fundamental industries in the local economy. An estimated 384 acres of industrial land will be required by these types of businesses by 2040, representing 57% of all industrial land demand in Anchorage.

Strategies are established in the 2040 LUP to ensure adequate land capacity for these essential businesses to grow in the necessary locations, particularly in the Anchorage Bowl, and with the necessary infrastructure and utilities that they specifically require.

More information regarding growth forecasts and land capacity is provided in Appendix B.
Community Expansion - Other Options

The amount of land available for residential, commercial, and industrial development in the Bowl is finite. Land exchanges or surplusing of military land, construction of a causeway to Fire Island, development in Chugia-Eagle River, or a Knik Arm Crossing to Point MacKenzie in the Mat-Su Borough could increase the supply of land. However, all of these options remain highly speculative, expensive, and largely external to local municipal control.

Each option was considered based on an extensive number of consultations with stakeholders, and review of studies and reports. Military land at Joint Base Elmendorf-Richardson, Fire Island, the Chugia-Eagle River area, and Point MacKenzie were investigated and analyzed to determine whether these and options could become available by 2040.

JBER actively uses most of its lands for operations and training and is not expected to change in the foreseeable future. Construction of a causeway to Fire Island is unlikely because of a host of factors. Chugia-Eagle River reserve lands of Eklutna, Inc., could potentially be developed during the plan horizon but each reserve area requires significant expansion of urban road networks and utility infrastructure. The Chugia-Eagle River Comprehensive Plan and the Anchorage 2040 LUP reflect the likely timing of development in that only Powder Reserve and at most Eklutna 770 Tract will be developed at urban residential densities by 2040.

The LUP assumes that the Knik Arm Crossing to Point MacKenzie will potentially be constructed during the latter half of the planning time horizon. However, land analyses indicate that it would yield only a modest reduction in land demand in the Anchorage Bowl, while leaving greater effects on Chugia-Eagle River and eastern MSB including Wasilla and Palmer areas.