

# **Spenard Commercial District Development Strategy**

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Municipality of Anchorage  
Tony Knowles, Mayor



SPENARD  
COMMERCIAL  
DISTRICT  
DEVELOPMENT  
STRATEGY

Prepared for the

MUNICIPALITY OF ANCHORAGE

Tony Knowles, Mayor

Community Planning Department

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Under the guidance of the  
SPENARD ROAD DESIGN REVIEW COMMITTEE

Jessie Dodson, Chair

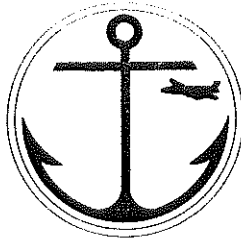
by

TRA/Farr

Laventhol & Horwath

March 1986

**Municipality  
of  
Anchorage**



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TONY KNOWLES,  
MAYOR

OFFICE OF THE MAYOR

Jessie Dodson's vision, commitment and leadership are cornerstones of the Spenard Redevelopment Project. Her selfless dedication to this and many more community efforts over the years, inspired the citizens of Anchorage, time and again, to pull together for a better future. That was Jessie's special talent. The proof of what we can accomplish when we work in cooperation with each other is a precious legacy she left our community.

In fond memory and with deep appreciation for her lasting contribution to the Municipality of Anchorage, I dedicate this work to Jessie Dodson.

A handwritten signature in cursive script, reading "Tony Knowles", written over a horizontal line.

Tony Knowles  
Mayor

# Credits

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Fashioned under the guidance of a Mayor-appointed citizen advisory committee, the Spenard Commercial District Development Strategy is a five-part action plan that dovetails a comprehensive economic revitalization effort with major roadway improvements. The action plan has been preceded by three major, complementary efforts:

1. A comprehensive business and property inventory, an area marketing analysis, and an evaluation of key properties to assess Spenard's commercial development potential.
2. Formulation of a desired development direction for Spenard incorporating the following features:
  - o Tourist oriented waterfront development along Lake Spenard incorporating float plane activity and enhancing public access to the lake;
  - o Major new hotel and office development at the district's west end where larger undeveloped parcels are conveniently close to the airport;
  - o Selected public open space sites within the district, including the Fish Creek corridor;
  - o Limited office development and multi-family residential uses at the east end of the district near the intersection of Spenard and Minnesota Drive;
  - o New commercial projects and expanded existing businesses filling in the underdeveloped parcels along Spenard Road;

- o Separated pedestrian and bicycle routes for circulating through the district, buffered from heavy traffic but providing convenient access to businesses and public amenities.
- 3. The recommended conceptual design for Spenard Road improvements, the adopted 3/5-M alternative, is a catalyst for the total revitalization effort.

The five-part action plan, presented here, is intended to begin immediately upon adoption. It incorporates the road improvement project into a comprehensive strategy for joining and focusing government and private sector resources on the total revitalization of the Spenard commercial district. The five strategy components of the plan are summarized below.

1. The administrative strategy consists of a redevelopment authority, a tax increment financing scheme, a Spenard business association, and a revolving loan program offered through Anchorage Neighborhood Housing Services, Inc.
2. The financial strategy calls for an average of over \$200,000 per year, from 1986 through 2000, from private and public funding sources to finance improvements to Spenard Road, supplementary public land acquisitions and improvements, improvements to existing businesses, start-up for new businesses, and capitalization for the redevelopment authority.
3. The land use strategy proposes a case by case approach to rezones, with special limitations, for purposes of expanding the commercial district to allow specified types of business developments oriented to Spenard Road and to provide adequate space and buffers between commercial uses and the residential neighborhood. The Committee's intent is not to encourage a continuous uniform commercial district expansion but rather to welcome site specific rezone requests for B-3 SL and R-0 in designated areas as incentives to encourage new and expanded developments benefiting the commercial district and residential neighborhood alike.

4. The public sector improvement strategy incorporates pedestrian way, streetscaping, public amenities, and other components of the 3/5-M conceptual design for improving Spenard Road. Three small, highly visible parcels are slated for acquisition for public open space areas along with land on the shoreline of Lake Spenard.
  
5. The private sector improvement strategy presents design guidelines for public and private buildings, property sites, and signing to achieve continuity within the district. They are intended to improve the district's physical presentation, to effect a positive interfacing between commercial and residential activities, and to orient commercial buildings to the roadway and sidewalks with parking areas to the side and behind commercial buildings.

Together, these five action plan components comprise an ambitious and innovative strategy for redeveloping Spenard's commercial district. Its success will depend on continued backing from government, residents, and businesses alike. With that support, the Committee's goal for a vibrant new Spenard can become reality.



The Spenard Commercial District Development Strategy is a five-part cooperative action plan to revitalize one of Anchorage's oldest, most colorful inner-city business districts. Formulated under the guidance of a committee of residents, business owners, and local officials, appointed by Mayor Tony Knowles, the strategy dovetails a joint public and private sector redevelopment program with plans for reconstructing Spenard Road itself.

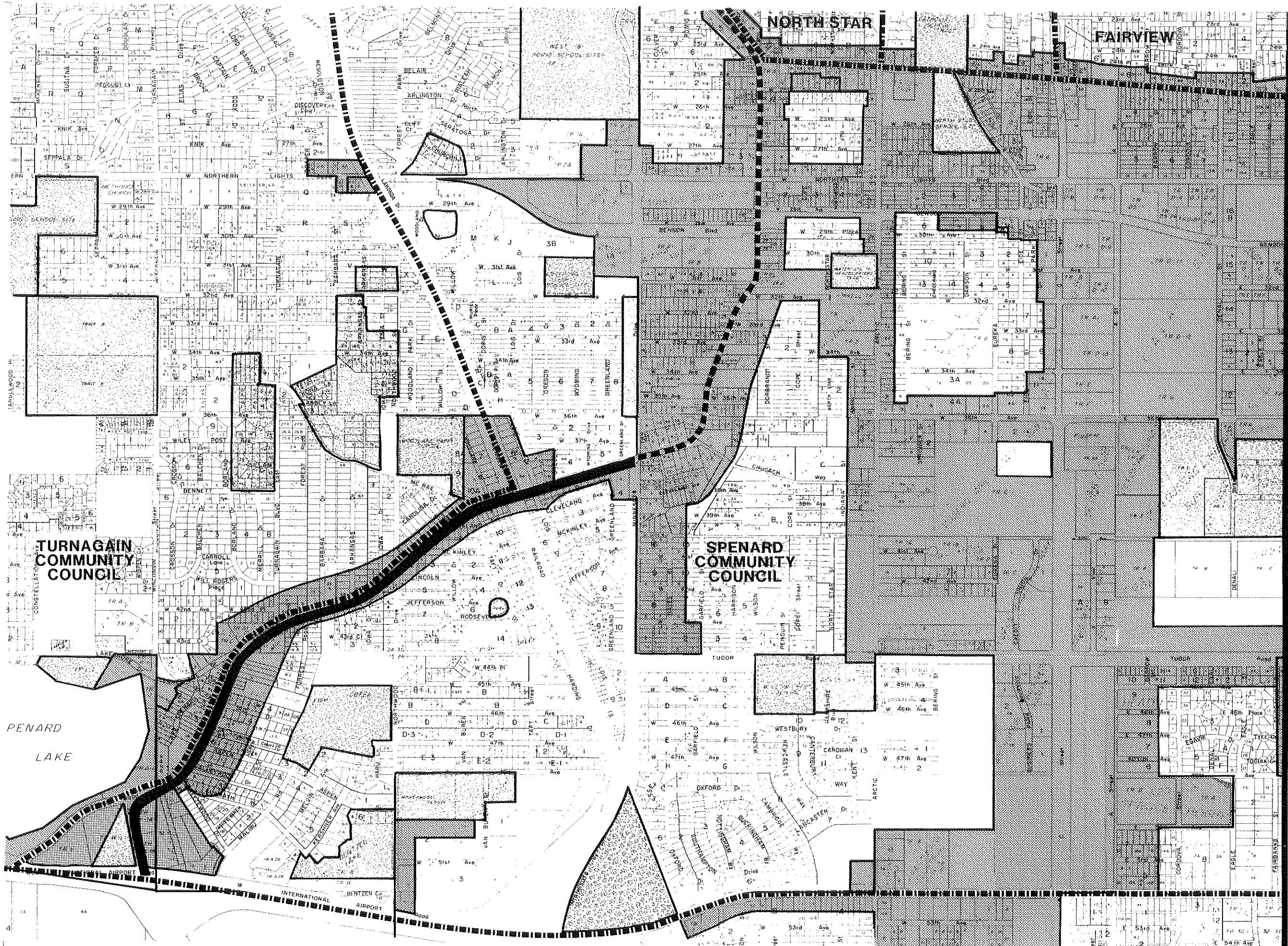
The Spenard Road Design Review Committee's first objective in undertaking this project is to ensure that plans to improve Spenard Road are formulated within the context of the commercial district's total revitalization, so that each and every road design and construction decision promotes the realization of that goal. The Committee's second, and equally important, objective is to have the regulatory, administrative, and financial tools in place, and the revitalization program underway, to capture the greatest possible return from the community's investment in Spenard.

Like Spenard itself, this business district development strategy is unique. Public capital improvement projects often fall short of their potential to stimulate economic development because of inadequate foresight and planning. Major road improvement projects are notorious for bisecting established neighborhoods and striking final blows to declining small business districts for the sake of efficient traffic engineering solutions. Anchorage's approach to this project is unique in that, early in the roadway planning process, residents, business owners, and government officials alike realized that more was at stake here than traffic congestion.

Recognizing these concerns, the Municipality allocated a portion of the road improvement design funds to develop the commercial district revitalization strategy. Local decision-makers believe that the public's monies will be far better spent if the design and construction decisions for a new Spenard Road are made within the framework of a comprehensive business district plan. Further, with administrative, financing, and regulatory

Architecture  
Engineering  
Planning  
Interiors

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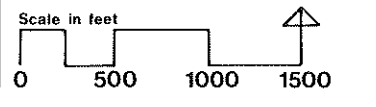
- From Generalized Land Use Plan
- Commercial
  - Parks, Public Lands, Institutions
  - Community Council Boundaries
  - Spenard Road within study area
  - Spenard Road beyond study area



# Commercial District Development Strategy

Municipality of Anchorage  
Spenard Road Design Review Committee  
Anchorage Neighborhood Housing Services, Inc.

Figure A-1  
Neighborhood Context



tools in place, the community will be in a position to capture a far greater return from these public dollars in the form of jobs, tax revenues, and substantial improvements in the quality of living and doing business in Spenard.

## THE PROCESS

### GOALS

The Spenard Road Design Review Committee began by setting out general goals for Spenard's future development. These speak to encouraging an economically vital business district while retaining the district's many unique characteristics including the curving main road, viable freestanding businesses, diverse business and architectural mixes, and integrated residential and commercial uses. At the same time, the Committee set its sights on needed improvements including increased open space, safe bicycle and pedestrian ways, roadway landscaping, buffering between commercial and residential land uses, and safer, more convenient traffic movement. The Committee's goals speak to strengthening the cohesion between the Spenard business district and the residential neighborhood by providing pedestrian amenities as part of the new roadway improvements, encouraging businesses that serve neighborhood consumers, accommodating convenient transit facilities, ensuring safe traffic speeds, minimizing traffic through residential areas, and providing safe pedestrian street crossings.

### DEVELOPMENT POTENTIAL ASSESSMENT

With these initial goals in place, the consultant team went to work. TRA/Farr and Laventhol & Horwath conducted a comprehensive business and property inventory, an area marketing analysis, and an evaluation of key properties to assess Spenard's commercial development potential. The analysis revealed that, by virtue of its location and land availability, Spenard's business development future is bright for attracting first class

and economy hotel development, general office complexes and smaller neighborhood oriented medical and professional businesses, general retail stores and auto-oriented retail outlets, convenience shopping and specialty stores, eating and drinking establishments, and wholesale and distribution businesses requiring convenient access to both the airport and downtown.

## DEVELOPMENT SCENARIO

Employing the inventory and market analysis to identify the range of business development opportunities within the context of the goals for the district's future, the Committee generated five commercial district development scenarios featuring contrasting land use emphases and business orientations. After publishing the scenario descriptions and graphic depictions in special inserts to both Anchorage newspapers, the Committee held a well-attended public meeting to discuss the advantages and disadvantages of each alternative with local officials, business owners, and residents. The outcome was the selected sixth alternative, a hybrid of the first five with the following special features:

- o Tourist oriented waterfront development along Lake Spenard incorporating float plane activity and enhancing public access to the lake;
- o Major new hotel and office development at the district's west end where larger undeveloped parcels are conveniently close to the airport;
- o Selected public open space sites within the district, including the Fish Creek corridor;
- o Limited office development and multi-family residential uses at the east end of the district near the intersection of Spenard Road and Minnesota Drive;

- o New commercial projects and expanded existing businesses filling in the underdeveloped parcels along Spenard Road; and
- o Separated pedestrian and bicycle routes, circulating through the district, buffered from heavy traffic and providing convenient access to businesses and public amenities.

## SPENARD ROAD IMPROVEMENTS - THE 3/5-M CONCEPT DESIGN

The Committee next turned its attention to the design of improvements to Spenard Road itself. The Committee and the consultant team, working with Municipal staff and the road design engineers, formulated seven alternative conceptual road designs and evaluated them in terms of traffic safety and efficiency, project costs, pedestrian and bicycle circulation, property and residential impacts, and environmental concerns. The purpose was to fully assess each road alternative in light of the goals embodied in the selected development scenario and the relationship of Spenard Road to Anchorage's total road network.

The Recommended Conceptual Design for Spenard Road Improvements, submitted to Mayor Knowles in November 1985, sets forth the Committee's recommended concept design, referred to as the 3/5-M alternative. After a public meeting and several work sessions, the Committee concluded that the 3/5-M concept design effectively balances traffic efficiency and safety standards with goals for revitalizing the Spenard business district and stabilizing the residential neighborhood. The Committee's conceptual road design document, a complement to this one, provides direction for the preliminary engineering of the roadway, pedestrian ways, landscaping, pedestrian amenities, and other major project components. These improvements to Spenard Road will be the catalyst for revitalizing the Spenard business district.

## FIVE-PART ACTION PLAN

After adopting the conceptual design for the new Spenard Road, the Committee researched and evaluated the remaining components of the development strategy - the tools required to bring about and fuel a total revitalization. The Committee held several work sessions and a final public meeting to evaluate alternative implementation measures. The product of this final project phase is the five-part action plan strategy presented in this report.

Intended to begin immediately upon adoption and to continue long after the road improvements are in place, this strategy encompasses a cooperative public/private administrative framework and financing schedule, land use regulation policies to encourage good commercial development, and complementary public and private sector property acquisitions and improvement strategies.

To demonstrate how property and financing resources can be assembled to encourage commercial development projects benefiting Spenard, a final section of this report describes, graphically depicts, and provides financial pro formas for seven prototypical development projects.

Together, the five action plan components comprise an ambitious and innovative strategy for redeveloping Spenard's commercial district. Its success depends upon continued backing from government, residents, and businesses alike. With that support, the Committee's goal for a vibrant new Spenard can become reality.

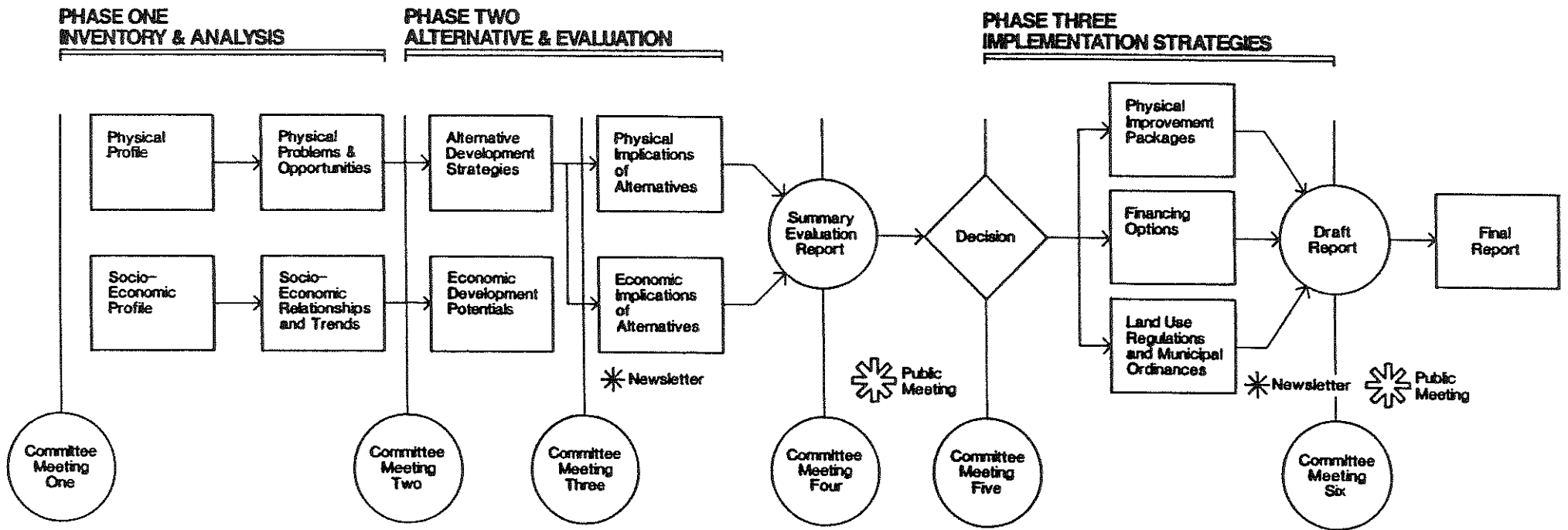


Figure A-2

**Figure A-3, Overall Strategy Map**

**The map follows in 3 parts, beginning from left to right.**



**WATERFRONT DEVELOPMENT**

- TOURIST ORIENTED, SPECIALTY RETAIL
- INCORPORATE FLOATPLANE IMAGE
- RETAIN PUBLIC ACCESS TO LAKE

LAKE SPENARD

**NIKKO GARDEN SITE**

- POTENTIAL EATING, DRINKING AND ENTERTAINMENT

CONSIDER FOR NIKKO EXPANSION

**ARMORY SITE**

- RETAIN IN PUBLIC OWNERSHIP
- IMPROVE APPEARANCE
- MAINTAIN VIEW TO LAKE
- REZONE TO PL1

**HOTEL SITE**

- 1ST CLASS HOTEL W/RELATED EATING, DRINKING & ENTERTAINMENT
- PRESERVE PUBLIC ACCESS
- PRESERVE VIEWS TO LAKE

**EXISTING TRAILER COURT**

- ENCOURAGE COMMERCIAL AND RESIDENTIAL MIX
- UTILIZE TOPOGRAPHIC CHANGE TO SEPARATE USES AND PROVIDE LANDSCAPE BUFFER

**U.B.S. SITE**

- HOTEL/OFFICE COMPLEX
- MAINTAIN GREENBELT ALONG EAST EDGE

**EXISTING ZONING AND BUILDINGS**

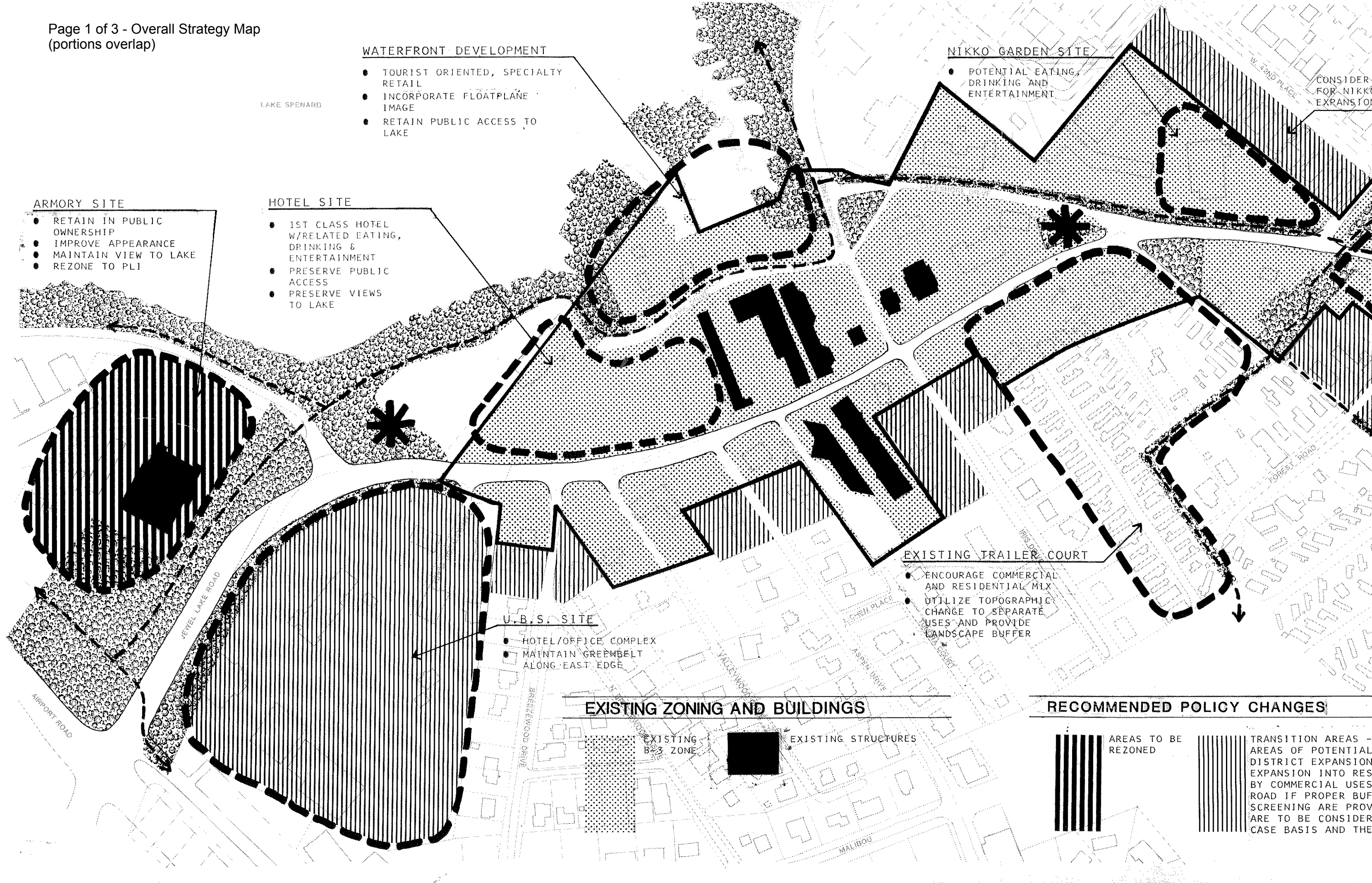
EXISTING B-3 ZONE

EXISTING STRUCTURES

**RECOMMENDED POLICY CHANGES**

AREAS TO BE REZONED

TRANSITION AREAS - AREAS OF POTENTIAL DISTRICT EXPANSION INTO RES BY COMMERCIAL USES ROAD IF PROPER BUF SCREENING ARE PROV ARE TO BE CONSIDER CASE BASIS AND THE



CONSIDER FOR REZONE IF PROPOSAL FOR NIKKO GARDEN SITE REQUIRES EXPANSION AS A SINGLE PROJECT.

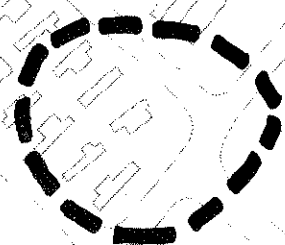
ALLOW PARKING IN RESIDENTIAL ZONE BEHIND BUSINESSES IF WIDENING OF SPENARD ROAD MAKE THIS NECESSARY REQUIRE BUFFERING FROM RESIDENTIAL USES AND/OR MITIGATING MEASURES. LIMIT VEHICULAR ACCESS OFF OF RESIDENTIAL STREETS.

MIXED-USE INFILL DEVELOPMENT

**POLICY CHANGES**

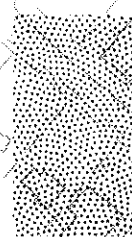
TRANSITION AREAS - AREAS OF POTENTIAL COMMERCIAL DISTRICT EXPANSION. LIMITED EXPANSION INTO RESIDENTIAL ZONE BY COMMERCIAL USES ALONG SPENARD ROAD IF PROPER BUFFERING AND SCREENING ARE PROVIDED. PROPOSALS ARE TO BE CONSIDERED ON A CASE BY CASE BASIS AND THEIR OWN MERITS.

**RECOMMENDED REDEVELOPMENT DIRECTION**



**PUBLIC SECTOR IMPROVEMENTS**

PUBLIC OPEN SPACE



PREFERRED BIKE ROUTE

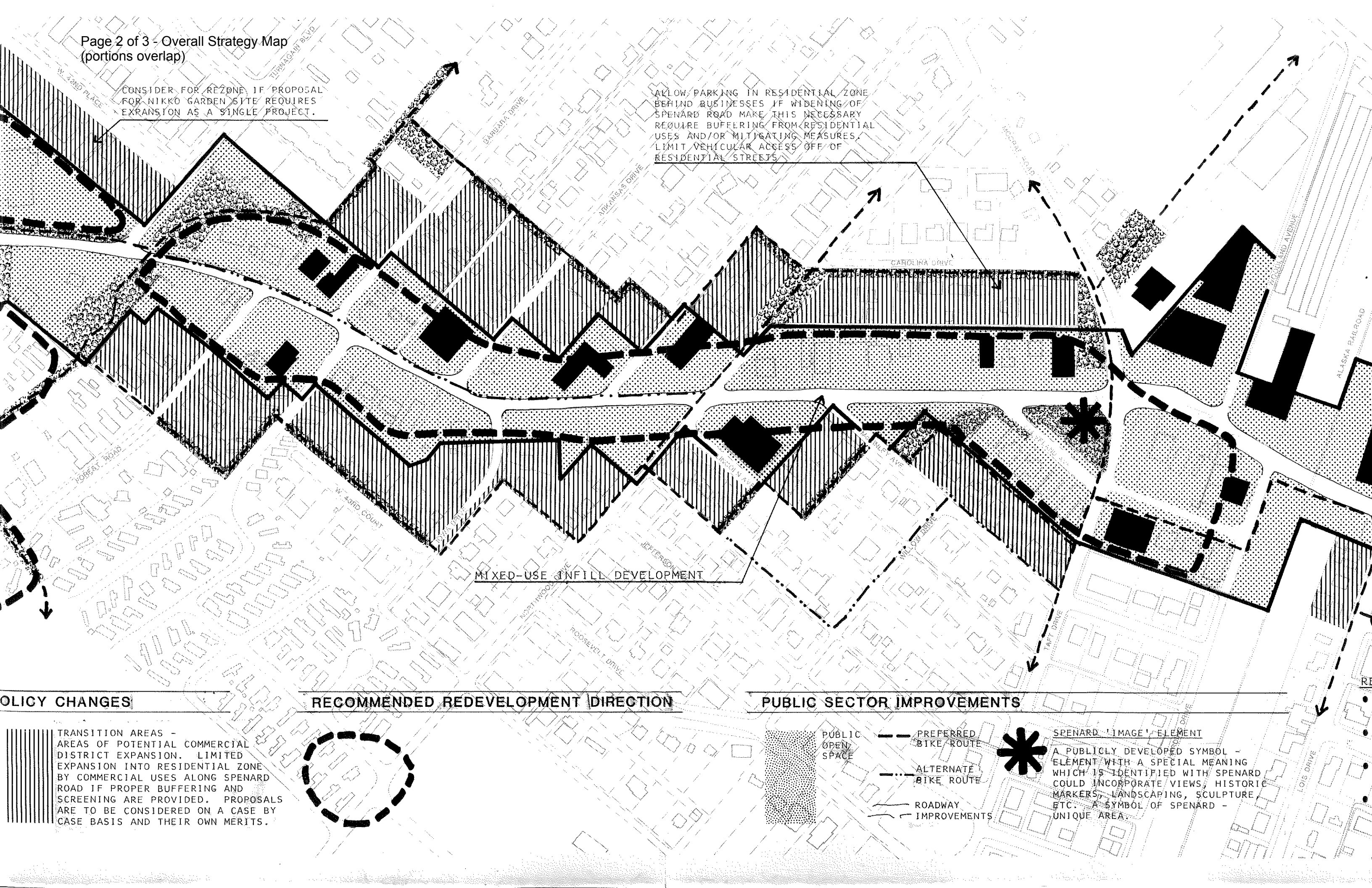
ALTERNATE BIKE ROUTE

ROADWAY IMPROVEMENTS

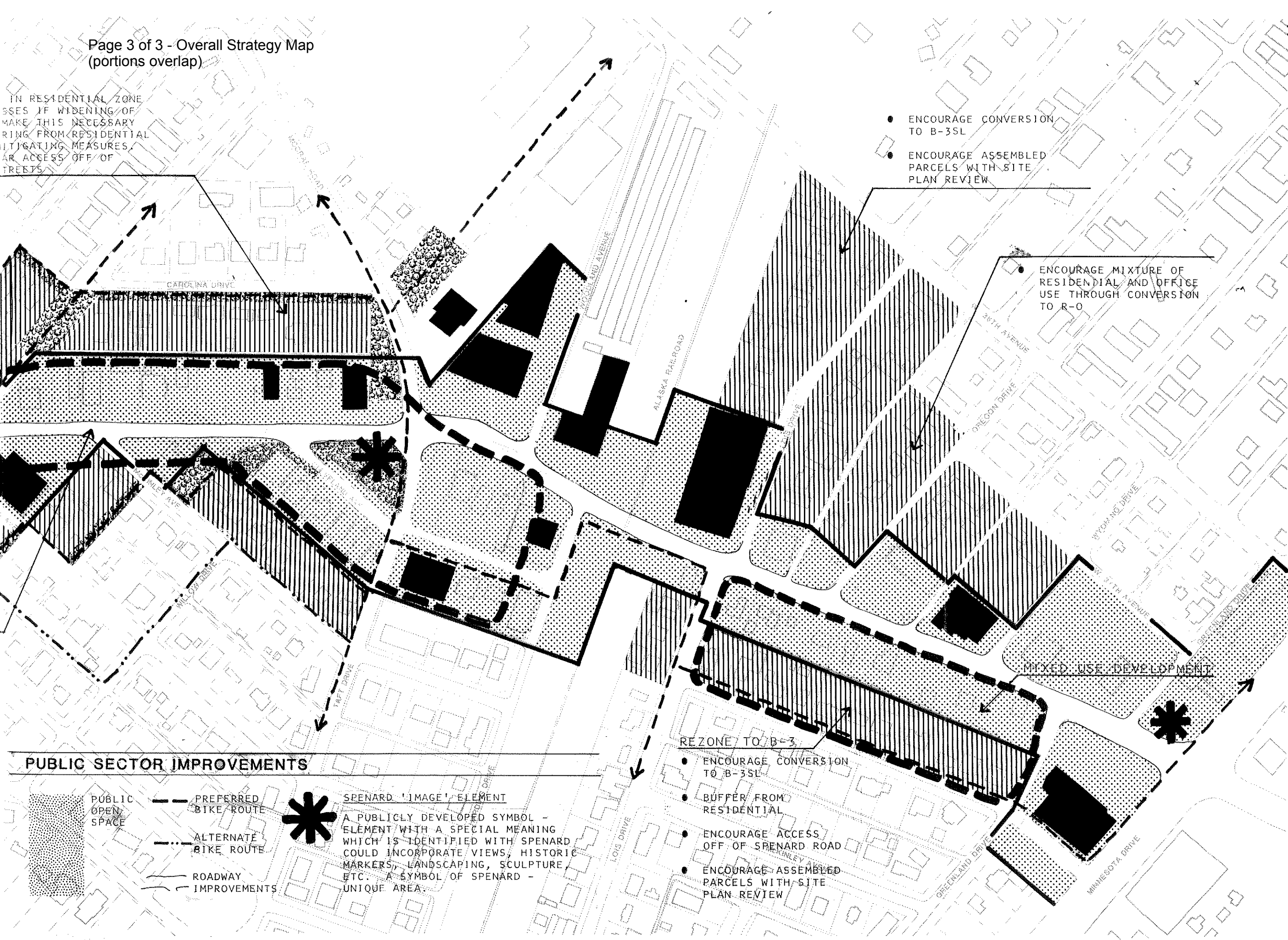


SPENARD 'IMAGE' ELEMENT

A PUBLICLY DEVELOPED SYMBOL - ELEMENT WITH A SPECIAL MEANING WHICH IS IDENTIFIED WITH SPENARD COULD INCORPORATE VIEWS, HISTORIC MARKERS, LANDSCAPING, SCULPTURE, ETC. A SYMBOL OF SPENARD - UNIQUE AREA.



IN RESIDENTIAL ZONE  
SSES IF WIDENING OF  
MAKE THIS NECESSARY  
RING FROM RESIDENTIAL  
LITIGATING MEASURES,  
AR ACCESS OFF OF  
TREETS



**PUBLIC SECTOR IMPROVEMENTS**

- PUBLIC OPEN SPACE
- PREFERRED BIKE ROUTE
- ALTERNATE BIKE ROUTE
- ROADWAY IMPROVEMENTS
- SPENARD 'IMAGE' ELEMENT

A PUBLICLY DEVELOPED SYMBOL - ELEMENT WITH A SPECIAL MEANING WHICH IS IDENTIFIED WITH SPENARD COULD INCORPORATE VIEWS, HISTORIC MARKERS, LANDSCAPING, SCULPTURE, ETC. A SYMBOL OF SPENARD - UNIQUE AREA

- ENCOURAGE CONVERSION TO B-3SL
- ENCOURAGE ASSEMBLED PARCELS WITH SITE PLAN REVIEW

ENCOURAGE MIXTURE OF RESIDENTIAL AND OFFICE USE THROUGH CONVERSION TO R-O

REZONE TO B-3

- ENCOURAGE CONVERSION TO B-3SL
- BUFFER FROM RESIDENTIAL
- ENCOURAGE ACCESS OFF OF SPENARD ROAD
- ENCOURAGE ASSEMBLED PARCELS WITH SITE PLAN REVIEW

MIXED USE DEVELOPMENT

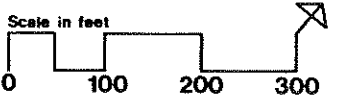


**Commercial District Development Strategy**

Municipality of Anchorage  
Spenard Road Design Review Committee  
Anchorage Neighborhood Housing Services, Inc.

**Overall Strategy Map**

FIGURE A-3



The administrative strategy for implementation of the Spenard Development Program is a cooperative effort of various participants, using a range of tools to accomplish specified activities. Figure B-1 summarizes these relationships.

The participants are grouped in several categories shown across the top of Figure B-1. They are a combination of existing entities and proposed new entities.

The activities are grouped in several categories along the side of Figure B-1. The categories include planning activities, construction activities, financing activities, and administrative/operation activities.

The tools are identified in individual cells of the table where they are available to participants to achieve the specified activities. Some tools are proposed new programs while others are already available.

The remainder of this section describes the key participants and tools which make up the strategy.

## R E D E V E L O P M E N T   A U T H O R I T Y

A Redevelopment Authority should be established for the area which would be an instrument of the Municipality but exist independently of and separately from the Municipality. Such an entity could exercise broad powers available to local government units, but focus its attention on the redevelopment of the Spenard Commercial District and other areas of the Municipality.

The purpose of the authority would be to take whatever action is necessary to stimulate redevelopment and new development of commercial facilities within the Spenard District. Such actions might include:



TIF  
Task Increment Financing

AIDA  
Alaska Industrial  
Development Authority

SBA  
Small Business  
Administration



**Commercial  
District  
Development  
Strategy**

Municipality of Anchorage  
Spennard Road Design  
Review Committee  
Anchorage Neighborhood  
Housing Services, Inc.

Summary of  
Figure Roles and  
Responsibilities

Figure B-1

	Municipality			Other Agencies		Private		
	Redevelopment Authority	Planning Department	Capital Projects	State of Alaska	Federal Agencies	Business Association	Private Lenders	Other Private Parties
<b>Planning</b>								
Redevelopment District	Shaded	Shaded						
Public Projects			Shaded					
Private Projects								Shaded
<b>Construction</b>								
Road			Shaded	Shaded				
Amenities			Shaded					
Site Improvements	Shaded							
Commercial Facilities								Shaded
<b>Finance</b>								
Road				Shaded				
Amenities	TIF*							
Site Improvements	Shaded						Shaded	
Commercial Facilities	Loan Fund*			AIDA			Shaded	
Business Expansion	Loan Fund*				SBA Loan* Guarantees		Shaded	
<b>Administration/Operation</b>								
Redevelopment	Shaded							
Amenity Maintenance			Shaded			Shaded		
Security/Promotion etc.						Shaded		Shaded

- o development and operation of new commercial facilities
- o assembly of land for commercial development by private parties
- o provision of infrastructure or amenities to accommodate new development
- o coordination of promotional activity to attract development

The proposed Redevelopment Authority is the key element in the strategy for Spenard to achieve its economic potential as described in the introduction to this report. The actions listed above include direct as well as indirect actions to stimulate development. The fact that the District's potential has not been realized is evidence that some entity must take a leadership role in pursuing such actions. There are three reasons why such an entity should be a public one:

- o There are a large number of interested parties and a range of direct and indirect benefits. Only a public entity can capture all the indirect benefits.
- o Assembly of development sites and elimination of blight conditions often requires the use of condemnation. Only a public agency has the power of eminent domain.
- o Attractive development opportunities and increased values are created by public investment in infrastructure and amenities. A public entity can coordinate this investment with development and also capture a larger share of the value created.

For these reasons, public redevelopment authorities are a well-established tool for accomplishing redevelopment objectives in other states.

The Anchorage Parking Authority provides a model for such an authority.

The powers which would be granted to the Authority should include:

- o to design, construct, improve, alter, or repair commercial facilities within the Spenard Commercial District
- o to operate, manage, and control commercial facilities within the District
- o to acquire, own, sell, lease, exchange, donate, convey or encumber in any manner real or personal property owned by it
- o to issue bonds to pay the cost of acquiring or constructing real or personal property
- o to accept gifts, grants or loans from and enter into contracts or other transactions with governmental or private agencies

In addition, the Authority would have various other powers necessary to carry out its functions. The Authority would be governed by a Board of Directors appointed by the mayor and confirmed by the Assembly. While it is unclear whether the Municipality should delegate the power of eminent domain to the authority, it is important that the Municipality cooperate with the Authority in using that power where necessary.

Ultimately, there may be several redevelopment districts throughout the Municipality. At that time, it would be most efficient to have a single redevelopment authority with Municipality-wide powers. This single authority would be well qualified in securing financing and negotiating development contracts. Special goals for individual areas would be expressed through specific redevelopment plans for each area. Since the Spenard District would be the first district to undergo such redevelopment, we recommend that Redevelopment Authority be created for that district only. Goals and powers would be tailored to the Spenard district. Several of the Directors would represent the specific interests of the Spenard area. As the Redevelopment Authority demonstrates the potential of such a vehicle and other redevelopment areas are identified, the Authority can be reconstituted as a Municipality-wide entity.

The Authority would be created by an ordinance of the Municipal Assembly. The provisions of the ordinance creating the Anchorage Parking Authority would serve as a starting point for development of such an ordinance. The Spenard Commercial District Development Strategy would serve as the redevelopment plan for the area.

## T A X   I N C R E M E N T   F I N A N C I N G

Tax increment financing (TIF), is a significant potential source of revenue for the Redevelopment Authority. TIF is a system whereby the costs of redevelopment are paid by the annual increment of tax revenues generated by that development. TIF does not impose any special assessment on the redevelopment area, nor does it lower the tax revenues collected for other uses.

TIF is an increasingly popular method of funding public improvements in other states as funding from other sources has declined. TIF is most successful when it is used to fund public improvements which stimulate private development which otherwise would not have occurred. The tax increment created is a direct result of the investment. TIF matches the cost of public improvements with the benefits created.

Several variations of tax increment financing are evident in other states across the country:

### ELIGIBLE AGENCIES

- o City Council
- o Redevelopment Authority



TAX REVENUES

- o Property Tax
- o All Taxes

TAX INCREMENT AREA

- o Blighted Area
- o Development District
- o Single Site

TIME FOR INCREMENT RECAPTURE

- o Open-ended
- o Period to repay bond or complete project
- o Set Period

FINANCING METHODS

- o General Obligation Bonds
- o Tax Allocation Revenue Bonds
- o Pay as-you-go

ELIGIBLE ACTIVITIES

- o Land Assembly
- o Relocation
- o Demolition
- o Site Preparation
- o Land Cost Mark-down
- o Streets, Sidewalks, Curbs, Gutters
- o Utilities
- o Planning, Design, Engineering
- o Debt Service

Alaska state statutes provide for Tax Increment Financing under the Slum Clearance and Redevelopment Act (AS 18.55.695). That act calls for a State Redevelopment Authority to undertake redevelopment activity where the governing body of a municipality finds one or more blighted areas. Taxes collected on property within an urban renewal area can be used to repay loans. As noted, the State statute limits the program to blighted areas. Such a program would not be applicable throughout Spenard. The Municipality could create its own TIF program. This would require an ordinance by the Municipal Assembly. We recommend that such an ordinance contain the following provisions:

- o Redevelopment Authority as Eligible Agency (In many instances the Board of the Redevelopment Authority and the City Council are the same.)
- o Eligible tax revenues to include all tax revenues (although the Municipality levies only a property tax at this time).
- o Tax increment area to include entire specified district.
- o Time for increment recapture to be limited to period to repay any bonds or complete projects.
- o Financing methods to include all potential sources.
- o Eligible activities to include all those noted above.

The enabling legislation for TIF and the establishment of Spenard as an eligible district should be accomplished as soon as it is practical. Once the district is created, the current assessed valuation in the area becomes the base valuation for determining the tax increment. New development in a particular year will not show up on the tax rolls until the following year.

Thus, there is a lag of at least a year between the time that redevelopment activity occurs and the time the tax increment is available. However, some development may occur independently of Redevelopment Authority actions. The tax increment from this development would also be available to the

Redevelopment Authority as long as it is added to the tax rolls after the base valuation has been established. Thus, it is important to the Redevelopment Agency that the base valuation be established as early as possible in order that taxes from such new development be included in the tax increment.

## B U S I N E S S   A S S O C I A T I O N

A business association can be a formal or informal group of local business owners formed to jointly pursue common business goals. At one extreme, an association can be a legal entity with members assessed a fee based on business volume. At the other extreme, the association may simply be a group meeting regularly to discuss common concerns.

Activities that business association might engage in include:

- o Joint maintenance activities such as snow removal
- o Joint promotion and advertising
- o Shared parking or other facilities
- o Coordinated stance on important issues
- o Participation in attracting new development
- o District-wide security measures

We recommend that an association be set up to pursue those district wide activities which are essential. Initially the Association could be funded on a subscription basis, with voluntary fees funding promotion activities such as the Spenard in Motion 10-K. In addition, the Association could provide snow removal for the new sidewalk. As the Association gains in experience and support, participation could become mandatory. An annual fee would be assessed on each business in the same way that special assessment districts assess fees on property owners. While a fee based on gross receipts is often used in cities where such receipts are reported for tax purposes, a fee based on number of employees would be easier to apply here.

Because the assessment for a Business Association is mandatory, a municipal ordinance would be required to establish one. The provisions of such an ordinance should mirror those of the ordinance related to Special Assessment Districts (Title 19). The Association would be set up if a specified number of businesses (for example, 60% or 75%) in the area voted to do so.

A Spenard Business Association would be complementary to the Chamber of Commerce and association of businesses in other areas of the municipality. A healthy commercial climate results from a diversity of downtown and neighborhood commercial districts.

## L O A N   P R O G R A M

The administrative strategies described above relate primarily to facility development or to business conditions district-wide. A key objective of any commercial district strategy is to improve conditions for individual businesses. A loan program would address this issue by meeting three needs:

- o availability of adequate funding,
- o availability of favorable terms, and
- o assistance in application process.

Assistance to business in searching out and applying for financing, the third element, could be accomplished by the redevelopment authority, or Anchorage Neighborhood Housing Services, Inc.

The first need could be addressed through the Anchorage Neighborhood Housing Services, Inc. (ANHS) Neighborhood Business Loan Program, slated to begin in June of 1986. By joining flexible rate structures with flexible loan packaging and underwriting specifications, the ANHS loan fund would

create an immediate incentive to attract new businesses, provide a climate for new investment and development, and encourage private facilities improvement. The amount to be funded for these financing needs is \$1.76 million.

A secondary market would be necessary to maintain the revolving nature of this loan fund. ANHS, through its consortium of social investors, has established this secondary market fund for business improvements. The ANHS commercial loan program is designed for primary capitalization of \$1.76 million to meet the parameters of the loan fund needs for existing and new businesses in the project area.

The Anchorage Neighborhood Housing Service is establishing a loan fund of this type. By joining flexible rate structures with flexible loan packaging, the commercial loan program creates a powerful incentive for business attraction, initial capitalization, and facilities improvement. The loan program is designed to encourage and contribute to "gap" financing. It will be bound geographically by the Special District. Slated to begin operating spring 1986, the ANHS commercial loan program consists of a revolving loan fund backed by a secondary market consisting of corporate and private investors.

The second element requires the most additional assistance and would provide the greatest potential impact. To provide loans at favorable terms would require some subsidy of interest rates. This can be provided through the Federal Government through income tax exemptions or funding of entities such as the Small Business Administration. Such loans could be funded through the State or local government through programs like the Alaska Housing Finance Corporation. In that case, the State appropriates funds each year to supplement bond proceeds to fund loans at below market interest rates. Any below market interest rate loans would require such a direct subsidy or underlying tax exempt financing.

## U S E O F O T H E R E X I S T I N G M E C H A N I S M S

There are other traditional funding mechanisms or available programs which could be used in the Spenard area. Examples include:

- o Special Assessment Districts to finance capital improvements or services
- o Alaska Industrial Development Authority for financing such projects as hotels.

Use of such programs should be coordinated through the Redevelopment Authority.

## S C H E D U L E

The timing of the actions identified in the preceding section and their relationship timing of the road project and assessment cycles is shown in Figure B-2.

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	1986	1987	1988	1989	1990
<b>Redevelopment Authority</b>					
Establish Redevelopment Authority _____	▲				
Establish Redevelopment District _____	▲				
Acquire Development Sites _____		▲			
Development Contracts _____			▲		

<b>Tax Increment Financing</b>					
Redevelopment Authority Construction _____		■			
Other New Development _____	■				
Tax Increment			Continuing new projects		
Redevelopment Authority Development _____			▲		
Other Development _____		▲			
Tax Allocation Bonds					
Redevelopment Authority Development _____			▲		
Other Development _____		▲			
Construction of TIF Amenities _____			■	■	

<b>Construction</b>					
Land Acquisition					
Right-of-way _____	■				
Supplemental Land _____		■			
McRae Intersection _____	■				
Remainder of the Road _____			■		
Fish Creek Restoration _____			■		

<b>Other Administrative/Policy Changes</b>					
Implement Transition Area _____		▲			
Implement Rezones _____		▲			
Set Up Loan Fund _____	▲				
Establish Business Association _____			▲		



**Commercial District Development Strategy**

Municipality of Anchorage  
Spennard Road Design Review Committee  
Anchorage Neighborhood Housing Services, Inc.

**Timing of Commercial District Strategy**

Figure B-2

A successful strategy must provide mechanisms to fund both public and private improvements. The underlying concept behind this strategy is that development within the Spenard area will be a joint effort between the public and private sectors. The private sector will have responsibility for development wherever possible. The public role will be limited to those instances where the public sector has unique powers to accomplish development objectives (such as land assembly through condemnation), where a demonstration project is necessary to provide a catalyst, or where traditional public facilities and services are involved.

Table F-1 provides a summary of the total financial need and the sources identified to meet that need. The remainder of this section describes the nature and amount of the financing required and the necessary sources.

## U S E S   O F   F U N D S

The funds identified in Table C-1 are the estimated total funds required over the period 1986-2000. Costs are expressed in constant 1985 dollars. The total need for each use is described below.

### ROAD IMPROVEMENTS

The cost of the proposed improvements to Spenard Road is estimated to be as follows:

Construction	\$ 6,000,000
Right of Way	<u>7,300,000</u>
Acquisition	\$13,300,000

These costs are preliminary estimates based on the existing concepts for the road. The cost estimate does not include payments for estimated business losses.



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SOURCES OF FUNDS	Road Improvement Funds	Other State Funds	Tax Increment	Municipality General Fund	Waste Water Management Funds	Business Assessments	Private Equity	Loan Fund	Private Lenders	Federal/State Programs	Total
USES OF FUNDS											
1. Road Improvements	\$13,300,000										\$13,300,000
2. Supplementary Land		Initial Loan	\$542,300								\$542,300
3. Public Amenities			\$2,857,700	\$1,090,400	\$200,000						\$4,148,100
4. Physical Improvements—Existing Businesses							\$231,000	\$33,000	\$1,056,000		\$1,320,000
5. Commercial Facility Development—New							\$33,279,300	\$658,500	\$65,539,200	\$70,412,000	\$169,889,000
6. Business Working Capital							\$9,556,000	\$1,062,000	\$31,854,000		\$42,472,000
7. Redevelopment Authority Capital			\$3,200,000	Initial Loan							\$3,200,000
8. District Maintenance						\$50,000/year					\$50,000/year
9. Redevelopment Administration			\$150,000/year	Initial Loan							\$150,000/year
10. Other Administration						\$5,000/year					\$5,000/year
<b>Total</b>	\$13,300,000	0	\$6,600,000 \$150,000/yr	\$1,090,400	\$200,000	\$55,000/year	43,066,300	\$1,753,500	\$98,449,200	\$70,412,000	\$234,871,400 \$205,000/yr



**Commercial District Development Strategy**

Municipality of Anchorage  
Spensard Road Design Review Committee  
Anchorage Neighborhood Housing Services, Inc.

Summary of Financial Strategy 1986-2000  
(Constant 1985 Dollars)

Figure C-1

## SUPPLEMENTARY LAND ACQUISITION

There are additional parcels which are not required for the road right of way, but which would improve access to remaining businesses and provide road-related transportation benefits. Three parcels have been identified:

Anchorage Glass Site	.37 acres
Spenard Restaurant Site	.20 acres
Site across from Puffin Inn	<u>.26 acres</u>
	.83 acres

The cost of these sites would be \$542,300 based on land values of \$15 per square foot. Actual land costs of specific sites may differ. Further, the value of the businesses on the sites may exceed these amounts. The actual cost of supplemental sites would be negotiated with property owners.

## PUBLIC AMENITIES

A series of public amenities have been identified for the Spenard area. Several parks have been identified as part of the prototype commercial developments. These costs are estimated to be:

	<u>Land</u> <u>Acquisition</u>	<u>Site</u> <u>Development</u>	<u>Total</u>
Prototype 2	0	\$200,000	\$ 200,000
Prototype 3	849,400	390,100	1,239,500
Prototype 4	379,000	279,200	658,200
Prototype 6	0	165,400	<u>165,400</u>
			\$2,263,100

The land for the park area in Prototype 2 is already owned by the State while the cost of land for the areas in Prototype 6 is included in the supplemental land acquisition. The cost of all other land is estimated at \$15 per square foot.

Some type of entry feature is proposed at each end of Spenard Road. Estimated cost is \$200,000. A bike path system is proposed throughout the District. Estimated cost is \$620,000 for development plus \$1,065,000 for additional right of way acquisition.

## PHYSICAL IMPROVEMENTS TO EXISTING BUSINESSES

Upgrading of existing buildings is likely to occur as the area experiences new development. Examples of facade treatments are shown in a later section. The cost of such treatment would average approximately \$40,000 per business. Based on existing conditions, we estimate that approximately one-third of existing businesses are likely to undergo improvements of this type. The cost of improvements to 33 businesses would be \$1,320,000.

## NEW COMMERCIAL DEVELOPMENT

The cost for new commercial development in Spenard can be estimated from the total market potential over the next 15 years and the unit costs for the prototypes. Total development cost is estimated to be:

	<u>New</u>		
	<u>Development</u>	<u>Cost/Unit</u>	<u>Total Cost</u>
First Class Hotel	605 rooms	\$125,000/room	\$ 75,625,000
Economy Hotel	177 rooms	70,000/room	12,390,000
Convenience Retail	45,000 sf	125/sf	5,625,000
Auto Oriented Retail	52,200 sf	125/sf	6,525,000
Specialty Retail	63,200 sf	160/sf	10,112,000
Speculative Office	300,000 sf	185/sf	55,500,000
Professional Office	25,700 sf	160/sf	<u>4,112,000</u>
			\$169,889,000

As described in the prototype analysis, all types of development would be feasible and should be financable at market rates except the hotel development. Tax exempt financing would be required for these projects. The professional office space development is feasible but would benefit from some form of credit enhancement such as loan guarantees or secondary market activities. Developers of the smaller specialty retail projects could benefit from special loans for down payment assistance. The total financing requirement can thus be broken down as follows:

Low interest rate loans	\$70,412,000
Hotel (80% financing)	
Loan for down payment assistance	
Convenience Retail (Provide 25% of business with 10% down payment)	140,600
Auto Oriented Retail (Provide 25% of business with 10% down payment)	163,100
Specialty Retail (Provide 25% of business with 10% down payment)	252,800
Professional Office (Provide 25% of business with 10% down payment)	<u>102,000</u>
Subtotal	658,500
Conventional Financing	
Convenience Retail (All businesses, 80% financing)	4,540,000
Auto Oriented Retail (All businesses, 80% financing)	5,220,000
Specialty Retail (All businesses, 80% financing)	8,089,600

Professional Office (All businesses, 80% financing)	3,289,600
Speculative Office (All businesses, 80% financing)	<u>44,400,000</u>
Subtotal	65,539,200
Equity	<u>33,279,300</u>
Total	\$169,889,000

## BUSINESS WORKING CAPITAL

The businesses which occupy the buildings identified above will also require funds. Working capital includes inventories and accounts receivable net of payables. Working capital requirements differ for various businesses. Further, working capital requirements differ depending on whether a business has relocated, is expanding or is a start-up business. One measure of working capital requirements is the amount of funds needed to operate for 2 months until revenues begin to be collected. Two months revenue for a retail outlet generating \$250 per square foot would require working capital of \$40 per square foot. This represents 25% of the building development cost of \$160 per square foot. This factor is used in order to estimate total working capital requirements. Based on total development cost of \$169,889,000, working capital can be estimated to be \$42,472,000. Financing of this amount has been estimated, and can be broken down as follows:

Loan for Equity Assistance (25% of Businesses, 10% of total working capital)	\$ 1,062,000
--	--------------

Conventional Loans (All businesses, 75% of total)	31,854,000
Equity	<u>9,556,000</u>
	\$42,472,000

## REDEVELOPMENT AUTHORITY DEVELOPMENT CAPITAL

The Redevelopment Authority will require an initial capitalization to fund development. Prototype 7 is an excellent project for the Redevelopment Authority to undertake initially. It will likely require the use of eminent domain to assemble the entire site. Further, it would provide immediately visible results for the district. Initial capitalization would require \$3,200,000 for land acquisition at a land price of \$20 per square foot. When the site is assembled, the Authority can apply the sales proceeds to additional sites. If the Authority chooses to undertake other activities first, this amount would be sufficient to purchase land for other prototypes.

## DISTRICT MAINTENANCE

The only identified maintenance item not already funded would be snow removal from the new sidewalks. Based on cost factors for snow removal in shopping centers of \$.06 - \$.12 per square foot of gross leasable area, the estimated cost for the entire district would be \$35,000 - \$70,000. An estimate of \$50,000 is assumed for this analysis.

## REDEVELOPMENT AUTHORITY OPERATIONS

Ideally, the Redevelopment Authority would have a full time staff consisting of a director, administrative assistant, and project manager. Such a staff would require a budget of \$200,000 to \$250,000 per year. Initially, an Authority sharing staff with other Municipal Departments could operate at a lower cost.

### Personnel

Director (Shared 1/2 Time)	\$ 30,000
Administrative Assistant (1/2 Time)	15,000
Project Manager	<u>40,000</u>
	85,000
Benefits @ 20%	17,000
Other Operating Cost	<u>48,000</u>
	\$150,000

## OTHER ADMINISTRATIVE COST

Other administrative costs would cover the cost of administering District Maintenance activities. This could be done on a contract basis for 10% of the \$50,000 cost of snow removal.

## S O U R C E S   O F   F U N D S

The sources listed in Table C-1 are described and related to uses below.

## ROAD IMPROVEMENT FUNDS

Road improvement funds would be provided by State appropriation.

## OTHER STATE FUNDS

The cost of the supplemental land acquisition would be funded initially by the State in conjunction with the road project. As described below, however, these funds could eventually be returned to the State.

## TAX INCREMENT

The tax increment generated by the development is presented in Table F-2. The increment is created by the new assessed value related to new development and general increases in land values. The incremental value for new improvements is equal to the total cost of new development less the amount attributable to land purchases. Land will increase in value if the Road improvements enhance the total volume of business activity for prospective businesses. This general increase in value is estimated as 20% of existing value. This is equivalent to the difference between the existing \$15 average value and the \$18 average of land on Spenard east of Minnesota.

The incremental value creates an annual tax increment. The annual increment after 15 years would be \$1.4 million. This could be used for ongoing expenditures or debt service on bonds. As shown, \$1.1 million could be used for that debt service. That would be sufficient to service a tax allocation bond in the amount of \$10.6 million. Of that, \$7.4 million would be available for construction with the remainder required for issuance costs, reserve funds, and funded interest.

In initial years, only a portion of the increment is available. In year two, an increment is available from other development activity in the area. Assuming that this development occurs at a constant pace over the 15 year period, a new increment of \$52,000 would be generated each year. This could be applied to the Redevelopment Agency operating budget. The authority would be self supporting in its fourth year. The remainder of the tax increment would support \$6.6 million in construction and could be used to



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	Incremental Development Value	Annual Tax Increment <sup>1</sup>	Available for Debt Service <sup>2</sup>	Bond Amount <sup>3</sup>	Available for Construction <sup>4</sup>
Prototype 1	\$34,416,500	\$330,100	\$ 264,100	\$2,491,500	\$1,744,100
Prototype 2	3,021,500	29,000	23,200	218,900	153,200
Prototype 3	2,896,800	27,800	22,200	209,400	146,600
Prototype 4	927,300	8,900	7,100	67,000	46,900
Prototype 5	2,989,900	28,700	23,000	217,000	151,900
Prototype 6	3,178,500	30,500	24,400	230,200	161,100
Prototype 7	7,051,200	67,600	54,100	510,400	357,300
Subtotal	54,481,700	522,600	418,100	3,944,400	2,761,100
Other Development	82,095,300	787,300	629,800	5,941,500	4,159,100
General Increase in Value	9,770,000	93,700	75,000	707,500	495,300
<b>Total Tax Increment</b>	<b>\$146,347,000</b>	<b>\$1,403,600</b>	<b>\$1,122,900</b>	<b>\$10,593,400</b>	<b>\$7,415,500</b>

1. at \$9.59/\$1,000 Assessed Valuation

2. at 1.25 debt coverage

3. at 10% 30 years

4. at 70% of Bond Proceeds



**Commercial  
District  
Development  
Strategy**

Municipality of Anchorage  
Spennard Road Design  
Review Committee  
Anchorage Neighborhood  
Housing Services, Inc.

**Supportable Tax  
Increment  
Financing**

Figure C-2

fund the amenities identified. Ultimately, the tax increment could be used to repay the initial capital infusion by the Municipality as well as the State funds for supplemental land.

The Redevelopment Authority would continue to collect the tax increment as long as the Authority continues its activities and until all bonds are retired. The Authority would no longer require operating funds for Spenard activities after 15 years. However, debt service on bonds would continue beyond that time. The portion of the tax increment not needed for debt service could be returned to the Municipality General Fund or to retire the bonds early.

## MUNICIPALITY GENERAL FUND

The Municipality would have to fund the initial activities of the Redevelopment Authority. These would include the administrative shortfalls as well as the initial capital infusion.

## WASTEWATER MANAGEMENT FUNDS

A portion of the funds from a Municipal bond issue for wastewater management could be used to fund the portion of the Fish Creek restoration included in the amenities budget.

## BUSINESS ASSESSMENTS

Initially, the cost of district maintenance and administration would be funded by an assessment. Based on an annual requirement of \$55,000, the approximate cost per business would be \$550 per year. If the cost were assessed according to number of employees, the charge would be approximately \$110 per employee.

## PRIVATE EQUITY

As shown, the sum of the equity requirements for the three types of private investments as described in the previous section would equal \$43,117,400.

## LOAN FUND

A Loan Fund could be created to provide assistance to borrowers seeking to reduce their equity investment. The amount to be funded for the three types of investment would be \$1.76 million. This is the estimated need related to down payment assistance at the assumed levels. The loan fund could be used for other purposes as well and the total capital need could be considerably higher.

## PRIVATE LENDERS

The requirement for funds from private lenders would reach \$98 million as shown.

## FEDERAL/STATE PROGRAMS

Hotel development or other eligible projects would require \$70.4 million in tax exempt industrial development bonds issued through Alaska Industrial Development Authority.

After public review and evaluation of alternative development strategies for Spenard, the Spenard Road Design Review Committee has recommended policies to direct future commercial growth. Specific portions of the area appropriate for certain types of commercial development are identified on the Overall Strategy Map (Figure A-3). In general, most large scale changes in land use are proposed for the east and west ends of the study area, with small scale commercial infill development through the center of the district.

## TRANSITION AREAS

The Development Strategy is designed to balance objectives of fostering commercial development and protecting residential neighborhoods. Therefore, areas parallel to the existing Commercial District received special attention. While expansion of the Commercial District is proposed in some instances, and no change is anticipated in others, bands on both sides of the district are identified as "transition areas."<sup>1</sup> Recognizing competing desires to expand the Commercial District and to protect adjoining residential neighborhoods, the strategy calls for proposals to expand the Commercial District to be treated on a case by case basis, and describes how such proposals should be evaluated. This section sets forth circumstances under which rezone requests are recommended to be granted. Rezoning are strongly encouraged in selected areas (refer to Figure D-1, Land Use Strategy) with safeguards to limit impacts on adjoining residential properties.

- 
1. Use of the "transition area" terminology should not be confused with the "Transition" (T) zoning district, created during the course of this project from the former "Unrestricted" (U) zoning district. "Transition area" refers to a band along the Spenard Road Commercial District corridor where limited expansion of the district can benefit the community if the expansion is consistent with objectives of the Development Strategy. The Transition zoning district is something of an anomaly in Anchorage Municipal Code. It is intended to include suburban and rural lands that are not developing, and are not expected to develop in the immediate future.

Except as otherwise noted, the main purpose of the transition area is to provide for selective expansion of the Commercial District. This will allow parcels to be assembled to create business opportunities oriented toward Spenard Road that would not otherwise be possible because of such factors as small lot sizes, topography, and anticipated road right-of-way takes. The Committee's intent is clearly neither to encourage a continuous, uniform expansion of the Commercial District nor, except in certain cases noted, to encourage new businesses that would not front on Spenard Road.

The broken line shown in Figure D-1 portrays the transition area and helps define the limits of desired commercial expansion. Because this expansion will depend on private initiative to a substantial degree, and because the Development Strategy sets forth guidelines regarding such expansion, only portions of the area identified here are expected to actually be commercially developed. Conversely, the area outlined may be exceeded in some cases if individual circumstances warrant it and other conditions to limit impacts are satisfied.

The need to assemble a number of parcels, often under separate ownership and not zoned for commercial development, poses a significant constraint on private sector initiative in the project area. A redevelopment authority is designed to help overcome this limitation by establishing a vehicle for assembling properties in a manner that can facilitate their development.

## R E C O M M E N D E D   D E V E L O P M E N T   D I R E C T I O N

Specific portions of the study area where the Committee identified a direction for development are as follows:

### ARMORY SITE

The National Guard Armory site should be retained in public ownership, with the potential for future change to another public use. The site is seen as a valuable public holding with access and views to Lake Spenard. The Armory site is currently leased from the Municipality and zoned Transition (T), and is recommended to be rezoned to Public Lands and Institutions (PLI).

## UNITED BUILDING SUPPLY SITE

The site presently occupied by United Building Supply, including leased municipally owned lands, is proposed for redevelopment as a hotel and speculative office space. Because of its highly visible location, the development should be carefully designed to help set a new image for the Spenard Business District. A landscaped greenbelt edge along Spenard Road should be a part of this design. Prototypical project number one in this report shows an example of the type of development envisioned.

As shown in Figure D-1, the western edge of the site is zoned T, while the remainder is zoned I-1 (Light Industrial). Because the site is one of the few already assembled holdings capable of supporting a major new project, and owing to its critical role as a gateway to the Commercial District, these parcels should be maintained and developed as a unit. Rezoning to B-3SL is encouraged to facilitate such a development project, but only if the entire site is rezoned consistently at the same time, and only to accommodate a major commercial project that treats the site in a consolidated fashion. Subdivision of the site to allow smaller projects to be developed is to be prevented.

One further consideration is that an area on the east side of Jewel Lake Road across from the Armory is occasionally used for overflow parking when special events are held. Commercial development would require these parking requirements to be met in some other fashion.

## OLD "FLY BY NIGHT CLUB" SITE

The site of the old "Fly By Night Club" located on the shore of Lake Spenard is proposed for a new hotel and eating and drinking establishment. This project has been developed during the course of preparing the commercial development strategy and has the support of the SRDRC.

## LAKEFRONT

This site along the Lake Spenard shoreline is presently occupied by a series of homes and several peninsulas with float plane moorage access, and should be redeveloped as a publicly oriented retail center with public access to the lake. Float plane access to this site should be maintained and used as an opportunity to create a unique image. Prototypical project number two in this report shows how this could be done.

## TRAILER COURTS

Existing trailer court properties on the south side of Spenard Road should be redeveloped as multi-family housing, except where frontage on Spenard Road allows commercial development to occur. A change in grade across the site facing Spenard Road creates a natural boundary between commercial and residential land uses.

## NIKKO GARDEN SITE

The old Nikko Garden Restaurant site is a desirable location for a new eating and drinking establishment. An area north of the site, between the existing B-3 District boundary and West 42nd Place, is identified as appropriate for rezoning to include it in the Commercial District if it is required as part of a single project for the expanded site. The area is presently zoned R-2M.

## COMMERCIAL STRIP

The entire commercial strip of Spenard Road between Wisconsin Street and the Alaska Railroad is appropriate for redevelopment with smaller scale commercial infill projects. Some elements of public open space should be integrated with redevelopment of the road. Prototypical projects three, four, five, and six in this report are examples of this type of development.

For transition areas identified as having potential to support Commercial District expansion, proposals should be evaluated on a case by case basis on their own merits. Limited expansion into residential districts by commercial uses along Spenard Road will be allowed only if adequate buffering and screening is provided. Logical divisions provided by alleys, streets and other rights-of-way, or topography should be used wherever possible.

Between the existing B-3 District boundary and Carolina Avenue, north of Spenard Road and west of McRae Road, the Committee called for limiting the transition to parking only for adjacent businesses along Spenard Road. This recommendation is designed to accommodate limited space available for parking, and the impacts of right-of-way takes required to accommodate upgrading of Spenard Road. The area is currently zoned R-3, which allows off-street parking spaces and structures as a conditional use. Thus, no rezoning would actually be necessary. Buffering from residential uses and limiting vehicular access off of residential streets would be required.

## NORTHEAST

The area north of Spenard and east of Alaska Railroad should be allowed to make a gradual transition from residential to a combination of residential and office use. Rezone proposals are to be considered on a project-specific basis only. Some new non-retail types of businesses should be



considered on a project-specific basis along the Alaska Railroad right-of-way. Deepening the Commercial District in this area would provide an opportunity to capture some of the anticipated demand for new office facilities. Rezoning of a Multi-Family Residential (R-3) area would be encouraged between the existing B-3 boundary and West 36th Avenue and Lois Drive, two of the more heavily traveled streets in the vicinity. Further to the east, a mixture of residential uses and smaller neighborhood and professional offices is recommended. This would be accomplished by encouraging rezoning proposals considered on a project-specific basis in the area located east of Lois Drive to West 36th Avenue, east for one block, south to align with West 37th Avenue, and east to Wyoming Drive, from R-3 to Residential-Office (R-OSL). The R-0 District provides for ". . . residential and professional office uses . . . in areas undergoing a transition, or in areas where commercial uses might be damaging to established residential neighborhoods." It is also intended to ". . . provide a mix of low-to medium-density residential uses with certain specified business, personal and professional services that can function efficiently without generating large volumes of traffic . . ." and ". . . to protect, preserve and enhance residential uses, while permitting uses characterized principally by consultative services or executive, administration or clerical procedures" (Section 21.40.130 of Anchorage Municipal Code).

Special limitations are recommended to maintain a scale of development that is in keeping with continuing residential use of portions of the area, and to minimize impacts on residential properties.

## SOUTHEAST

Proposals to widen the commercial strip south of Spenard between the Alaska Railroad and Minnesota Drive to a full block to allow larger commercial projects to use present sites should be considered on a project-specific basis. A rezoning from Multi-Family Residential (R-2M) to General Business

with Special Limitations (B-3SL) is encouraged, also on a project-specific basis, between the existing boundary along an alley to Cleveland Avenue. Redevelopment projects should consider ways of eliminating the alley right-of-way. A well defined division between residential and commercial land uses with adequate screening is required along Cleveland Avenue. Sufficient space would be created to support a moderate scale convenience retail and auto-oriented development with adequate parking, while improving the appearance of one of the least attractive parts of the project area. Prototypical project number seven in this report gives an example.

## SPECIAL LIMITATIONS

The Development Strategy recommends using special limitations as a means of managing impacts associated with measures proposed to expand the Commercial District, while allowing varying conditions in different parts of the project area to be taken into account, and maintaining some flexibility.

Special limitations are conditions that may be applied to zoning map amendments, introducing restrictions beyond those otherwise provided in a particular district classification. Special limitations may:

- o Limit permitted uses;
- o Require compliance with design standards, dealing with such features as height limitations, bulk restrictions, joint access agreements, and related factors;
- o Deal with timing.

Special limitations may not be applied to allow a use or structure that wouldn't otherwise be permitted in a particular zoning district, or allowed by the conditional use process. In other words, they cannot be employed to

be less restrictive with respect to allowed uses, or to avoid the conditional use approval process. Special limitations approved govern over any inconsistent zoning regulations, unless specifically provided otherwise, and with the limitations noted above.

The Municipality of Anchorage has an extensive history of using special limitations. The approach is well suited toward meeting concerns described in rezoning actions that could expand the Commercial District, while maintaining Spenard's distinctive character. To effectively spur commercial development activity by the private sector, however, restrictions imposed must not be perceived by the development community as a net competitive disadvantage when compared to opportunities offered in other areas.

Because of varying conditions that characterize different parts of the project area, and the desire to treat projects proposed in the transition area on an individual basis, the Development Strategy outlines different factors that should be considered in addressing special limitations in response to specific proposals.

- o Building height and square footage
- o Lot coverage
- o Vehicular access, circulation and parking
- o Landscaping, screening and buffering
- o Building placement
- o Building setbacks
- o Permitted uses
- o Provision for pedestrian and bicycle access and circulation

## OTHER LAND USE REGULATIONS

### SHORELINE MANAGEMENT

Prototypical development projects described for the Lake Spenard shoreline and along portions of Fish Creek introduce special considerations because of their location. In addition, proximity of the project area to Anchorage International Airport and operations and Lake Spenard and Lake Hood necessitate consideration of airport height zoning regulations.

The only wetlands in the project area vicinity shown on Anchorage Wetlands Maps are located along Fish Creek in a "Developable" designation. For waterfront development proposed along the Lake Spenard shoreline, a regular "Section 404" permit from the U.S. Army Corps of Engineers would be required if dredging or filling occurred in the lake. A "Section 10" permit would be necessary for any structure actually placed in navigable waters. Since the prototypical development project described for Lake Spenard shoreline features a water dependent use (float plane ramps), would enhance public access to the waterfront, and should not introduce environmental problems, unusual difficulties should not be encountered in securing permits.

Prototypical development projects proposed along Fish Creek, on both sides of Spenard Road, would need to comply with Anchorage's Stream Protection Ordinance. A minimum setback of 25 feet along both sides of streams designated in the ordinance, which includes Fish Creek, is mandated, and further restrictions are placed on land use within 15 feet of these streams. (Stream segments contained in culverts for a contiguous length of 100 feet or more are exempted from the ordinance, however.) The prototypical projects, as conceived, would include stream setbacks, as well as provisions to enhance segments of Fish Creek itself, where it has been severely degraded.

Potential flooding hazards have also been identified along Lake Spenard and Fish Creek in the project area. Additional restrictions apply in areas identified to be within a flood hazard district, and development within such an area is subject to obtaining a flood hazard permit from the Municipi-

pal Public Works Department. Special conditions may be attached in issuing a flood hazard permit, including floodproofing measures that might be required by the Municipality.

## AIRPORT HEIGHT RESTRICTIONS

Municipal Airport Height Zoning Regulations require that any proposed structure over 200 feet above the airport reference point within three nautical miles of any established airport is subject to an airspace determination by the Federal Aviation Administration, to determine if any aviation hazards would be created. In addition, an Anchorage International Airport Height Zoning Map has been prepared by the State Department of Transportation and Public Facilities to further define areas where heights of structures are of significance to aviation safety. (This includes air traffic at Lake Spenard and Lake Hood facilities.) This map defines additional height restrictions at the western end of the project area.

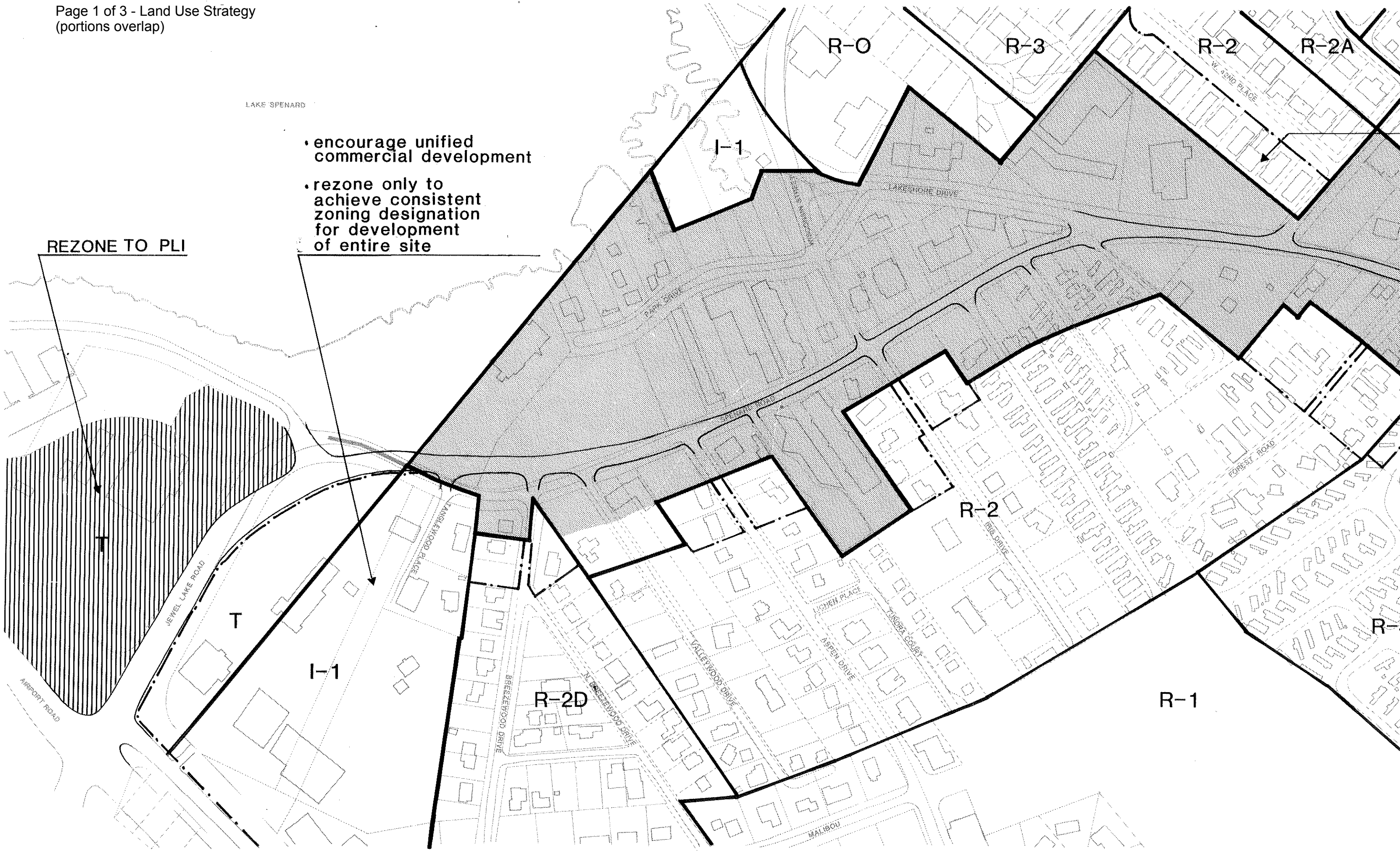
**Figure D-1, Land Use Strategy**

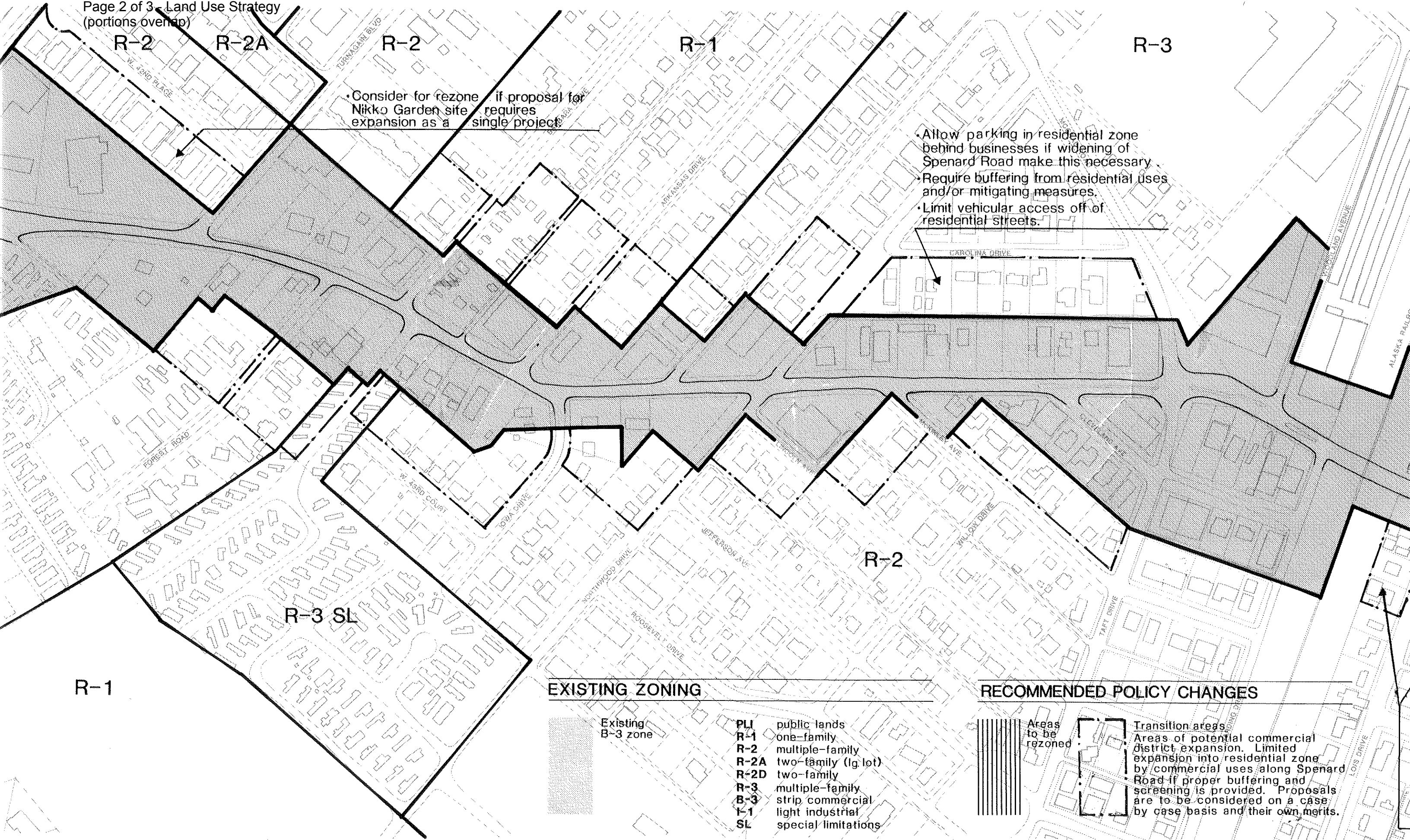
**The map follows in 3 parts, beginning from left to right.**

LAKE SPENARD

- encourage unified commercial development
- rezone only to achieve consistent zoning designation for development of entire site

REZONE TO PLI





• Consider for rezone if proposal for Nikko Garden site expansion as a single project

• Allow parking in residential zone behind businesses if widening of Spenard Road make this necessary.  
• Require buffering from residential uses and/or mitigating measures.  
• Limit vehicular access off of residential streets.

**EXISTING ZONING**

Existing B-3 zone

- PLI public lands
- R-1 one-family
- R-2 multiple-family
- R-2A two-family (lg lot)
- R-2D two-family
- R-3 multiple-family
- B-3 strip commercial
- I-1 light industrial
- SL special limitations

**RECOMMENDED POLICY CHANGES**

Areas to be rezoned



Transition areas  
Areas of potential commercial district expansion. Limited expansion into residential zone by commercial uses along Spenard Road if proper buffering and screening is provided. Proposals are to be considered on a case by case basis and their own merits.



R-3

- Allow parking in residential zone behind businesses if widening of Spenard Road make this necessary.
- Require buffering from residential uses and/or mitigating measures.
- Limit vehicular access off of residential streets.

- encourage conversion to B-3SL
- encourage assembled parcels with site plan review

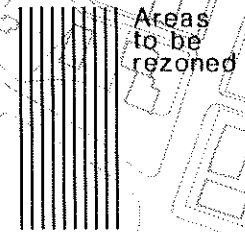
- encourage mixture of residential and office use through conversion to R-O

R-2

- encourage conversion to B-3SL
- buffer from residential
- encourage access off of Lois and Greenland rather than Spenard
- encourage assembled parcels with site plan review

**RECOMMENDED POLICY CHANGES**

- 1 public lands
- 1 one-family
- 2 multiple-family
- 2A two-family (lg lot)
- 2D two-family
- 3 multiple-family
- 3 strip commercial
- 1 light industrial
- 1 special limitations



**Transition areas.**  
Areas of potential commercial district expansion. Limited expansion into residential zone by commercial uses along Spenard Road if proper buffering and screening is provided. Proposals are to be considered on a case by case basis and their own merits.



**Commercial District Development Strategy**

Municipality of Anchorage  
Spenard Road Design Review Committee  
Anchorage Neighborhood Housing Services, Inc.

Land Use Strategy  
FIGURE D-1



Public improvements in the Spenard Commercial District have been minimal in the past. The opportunity now exists to use public sector improvements to help establish a new identity for Spenard. This chapter identifies two areas where image-creating improvements can be provided by the public sector. The first area is the roadway itself, including pedestrian improvements such as walks, lighting and street furniture. Improvements to the street should be responsive to existing businesses while providing amenities that promote future development. Convenience, efficiency, safety, access and aesthetics will be important considerations in the design of these improvements. The second public improvement emphasis should be on creating highly visible small public open spaces within the corridor. Figure E-1 identifies several areas which could be developed into special public spaces which would help establish a unique image or identity. These spaces should provide strong visual elements along the auto oriented commercial strip and become focal points establishing an identity for the neighborhood.

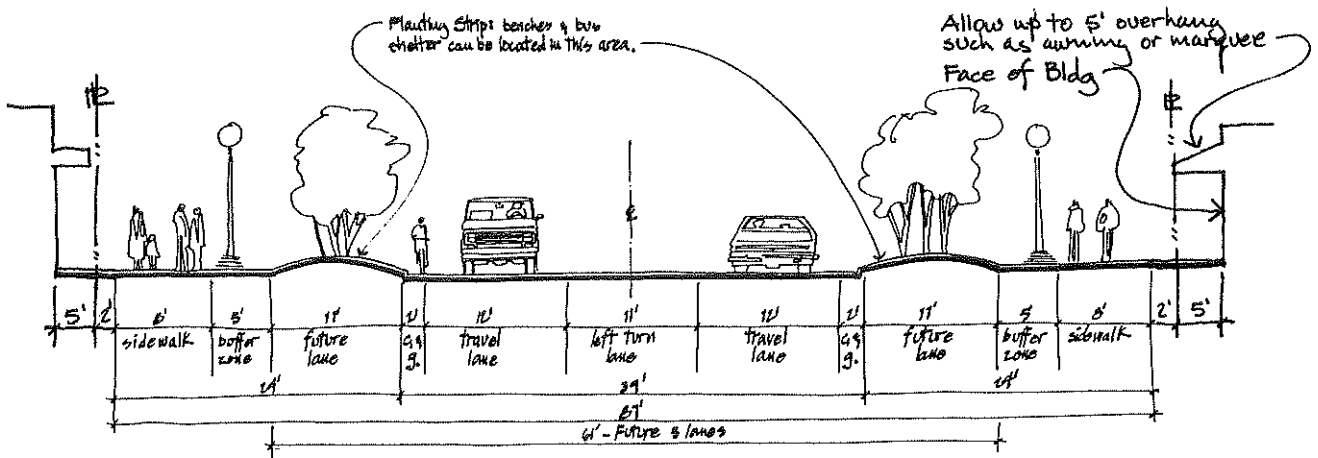
## ROAD IMPROVEMENTS

It is an objective of the Spenard Road Design Review Committee to maintain the best possible circulation and access for vehicles while improving pedestrian access and movement along the road. Improvements to the road will provide private development with a framework for convenient and efficient access and movement. Although the car is the major mode of transportation, it is not the only one. Pedestrian and bicyclist access and safety must be addressed and encouraged.

### LANE CONFIGURATION

The configuration of Spenard Road west of the McRae intersection is under design and has not yet been determined. The Recommended Conceptual Design for Spenard Road Improvements summarizes the results of a study conducted in October of 1985 to evaluate several alternative road configurations.

These alternatives were presented to the Spenard Road Design Review Committee. After several public workshops and a formal public meeting, the Committee selected a preferred alternative for presentation to Mayor Knowles. The sketch below shows the preferred alternative and illustrates minimum recommended dimensions for improvements between curb and face of building. These dimensions will not be feasible everywhere because of dimensional constraints, but should be followed wherever possible.



The selected alternative begins with the construction of a three lane road. The right of way acquisition would however be such that if a five lane is desired it could be constructed in the future. The traffic study portion of the Spenard Road Design Configuration Study projected that traffic on Spenard Road could reach a level requiring five lanes. Any proposed expansion of the roadway to five lanes will be preceded by an extensive community involvement process.

The Spenard Road Design Review Committee placed the following five conditions on recommending this design concept:

1. Any future decision to convert the roadway from three to five lanes will be made only with full public participation.

2. The Capital Projects Office and design engineers, with the committee, will examine extending these road and pedestrian improvements from the McRae intersection east to Minnesota Drive.
3. The Spenard Road Design Review Committee will be a participant in making decisions regarding the use and disposal of excess right-of-way.
4. If, due to funding constraints, it becomes necessary, the committee will work with the Capital Projects Office to set priorities and develop a phasing plan for constructing improvements to Spenard Road.
5. The Spenard Road Design Review Committee will be informed and consulted for recommendations regarding details on the following design elements as they are further developed:
  - o lighting,
  - o planting, signage, and "hard and soft" landscape design elements,
  - o bus pull-outs,
  - o pedestrian circulation facilities,
  - o access to properties, and
  - o any other road related design elements having an impact on the use or appearance of the road.

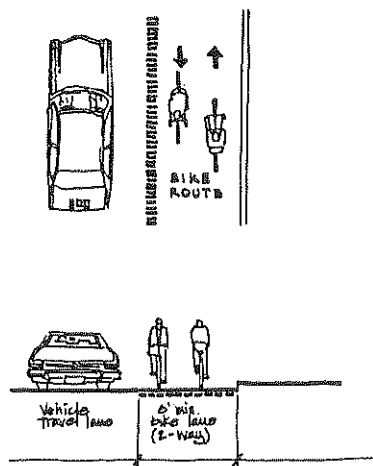
## PEDESTRIAN FACILITIES

From the onset of this study it has been the goal of the Spenard Road Design Review Committee to upgrade and improve pedestrian use of Spenard Road. A major difficulty for pedestrians using the existing road is the proximity of rapidly moving vehicles. This problem is amplified during the winter months when snow obscures the definition of a safe walkway. To permit year-round safe pedestrian movement, the proposed road configuration allows for a 16' planting strip separating the sidewalk from vehicle travel lanes. An 8' sidewalk should be installed. During the winter the 16' wide

planting strip would be used for snow storage. Snow removal from walks will require special small scale equipment separate from street snow removal equipment. At the least, a 4' to 5' wide path down the sidewalk should be maintained for people to walk safely along Spenard Road.

## BICYCLE FACILITIES

The 8' wide sidewalk may be used for bicycle traffic, although this is not an optimum solution. The traffic lane adjacent to the curb should be made 12' wide to also allow better bicycle use in traffic. A clearly defined separate bicycle route through the neighborhood is needed. It is recommended that such a bike route weave its way through the residential neighborhood, clearly signed and separated from Spenard Road, but closely paralleling it. A bike route of this type will greatly enhance district accessibility via the already extensive network of bicycle paths throughout Anchorage. Figure E-1 shows a suggested bike route through the neighborhood. The sketch below illustrates a recommended configuration for bicycle routes which are incorporated on neighborhood streets.

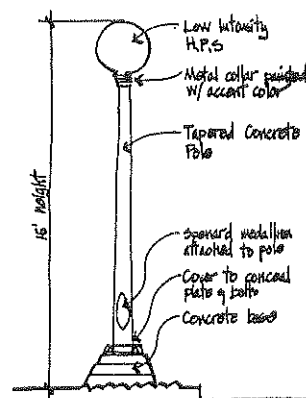


## LIGHTING, SIGNING, AND SITE FURNITURE

To create an identity and unity within the Spenard Commercial District it is desirable to incorporate a repeatable decorative element into the design of new road improvements.

A pedestrian scaled, globe type light fixture is proposed as the unifying element on Spenard Road. General lighting of the street should be accomplished with a minimum number of high efficiency cut-off luminaires. This will allow the ornamental light fixtures to fulfill the role of setting visual character without having to be the primary light source for the street. These lights should be located in rows of at least five, spaced no more than 30 feet apart. The rows need not be continuous for the full length of the road project and gaps will be required where driveways and other items conflict with the layout of ornamental fixtures.

The following sketch shows typical ornamental light fixtures.



In other districts, regularly spaced trees of a unique type are frequently used. The use of trees to accomplish this in Spenard may not be practical. The slow growth rate, likelihood of new construction projects damaging them, and tendency for trees to obscure signs all point to using manmade elements to create the desired continuity.

All ornamental light fixtures are to be installed within the designated buffer zone adjacent to the sidewalk. This will avoid the need to relocate fixtures if the road is widened to 5 lanes. Public signing and site furniture can be placed within the planting strip but may have to be relocated in the future.

Ornamental light poles should provide means for the Municipality or private businesses to hang flower pots or colorful banners. These should be controlled, however, to avoid advertising signs. Medallions, specially designed for Spenard, could also be incorporated into light poles, barriers or bollards.

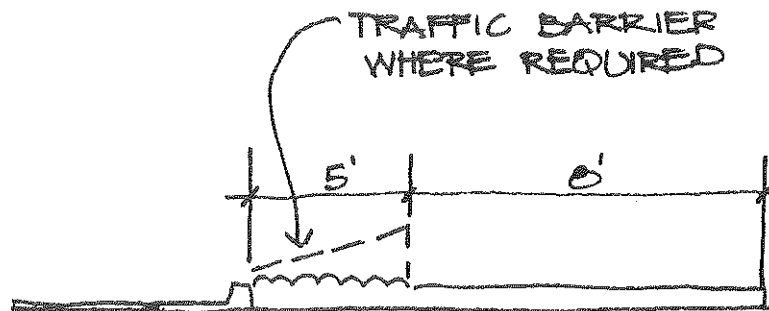
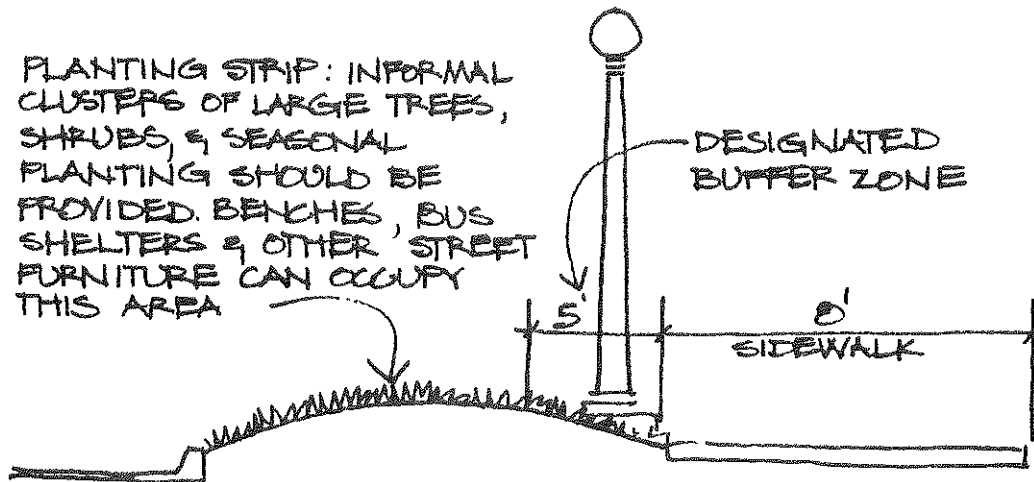
Street identification, direction and regulatory signs can be attached to light standards, eliminating the need for additional poles. Standard Municipality sign faces should be used but mounting systems should be coordinated in style with the ornamental light fixture. Transit stops should use system-wide graphics and be easily identifiable. Shelters should be provided where space is available. Colors might be changed to fit the design theme of the District.

To help add to the Spenard image, special signs should be developed to mark the way to special destinations such as Lake Spenard and the airport. Special interpretive signs should also be located along the road to identify Spenard businesses and describe Spenard's position as the 'gateway' to Anchorage and Alaska.

Street furniture including benches, walls, fences, decorative banners, drinking fountains, bike racks, bollards, manhole covers, barriers and paving patterns can be redesigned to reflect the unique character of Spenard. Benches and other furniture that encourage people gathering, should generally be used sparingly within the Road right-of-way. Such street furniture will be more appropriate in larger public open spaces. In any case, benches should be durable and fit with the overall theme.

The sketches below illustrate the use of street furniture within the right-of-way when the three lane roadway is installed and when and if the five lane is constructed. When a five foot buffer zone is created with the five lane design, the zone should be a different paving material than the sidewalk, such as coarse river rock exposed concrete. The textured buffer zone should be continuous all along Spenard. The sketch also shows large continuous barriers of like material to separate vehicles from people in areas where heavier pedestrian use is anticipated.

Sculpture and works of art should be promoted which convey the image of Spenard as the 'gateway' to Alaska or the center for wilderness expeditions. Special locations along the right-of-way should be identified to receive these works of art.





## PUBLIC OPEN SPACE IMPROVEMENTS

Several small public open space projects have been identified as highly desirable improvements to the business district. These public spaces can help to shape a new image and identity. Below are examples of park and open space improvements which are considered important elements to enhance the character of the district.

### SUPPLEMENTAL LAND ACQUISITION

The development strategy identifies three sites along Spenard Road which should be acquired and developed concurrent with road improvements. These three areas would be developed as small parks enhancing the district by providing a strong visual image and a pedestrian ambience. In each case elimination of these sites as locations for commercial establishments will improve traffic flow and safety on the road. The three sites are shown on Figure E-1. Each area is a small triangular site that is highly visible. They are closely associated with prototypical project examples identified in the "Private Sector Improvements" chapter of this report. Development of these open spaces will have an obvious positive influence on nearby private sector development.

The Anchorage Glass site located at Spenard and Cleveland is deemed a high priority. The existing structure is highly visible and traffic serving the property creates congestion. Since the site has such prominent exposure it is an ideal location for a public focal point for the Spenard Business District. Appropriately developed, the site can become a landmark and gathering place within the district. The following sketch shows a clock tower, a large sculptural piece and/or a fountain that should be designed to convey the image of Spenard as the gateway to Alaska. These features should complement those being designed across Spenard Road in conjunction with the McRae intersection improvements, providing a unifying theme and compatible public uses.



## LAKEFRONT PARK

Lake Spenard and the active float plane operations are unique and valuable assets to the Spenard Business District. Improved public facilities at the lakeshore will greatly enhance the character of the district. The park would be passive in nature, emphasizing walking, bicycle riding and watching aircraft operations. Access to the park from the business district and residential neighborhoods should be clearly signed and readily identifiable.

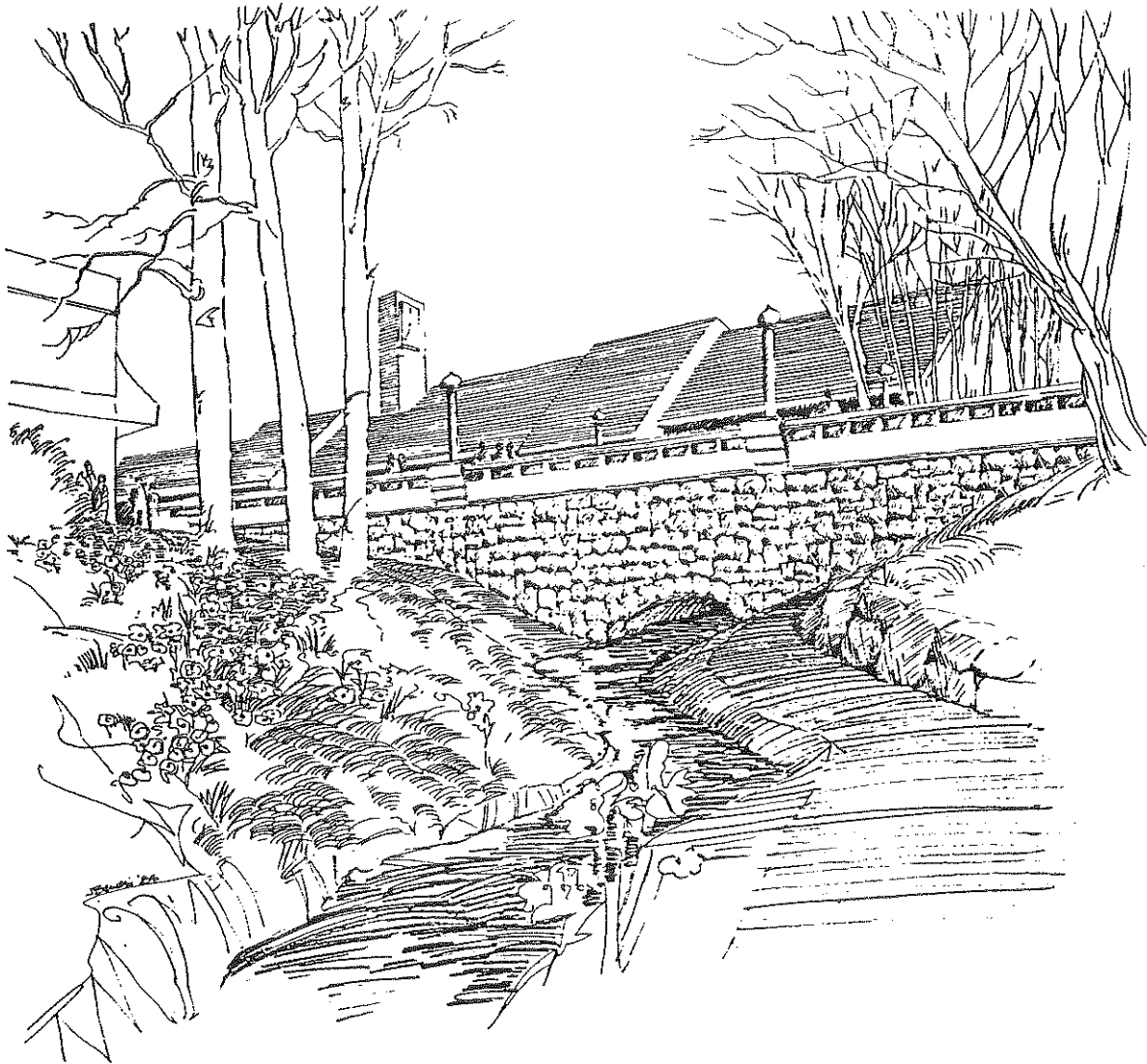
A park at this location would also be a valuable visual asset to motorists entering the district from the west. A natural vista toward the lake exists at the curve where Jewel Lake Road changes to Spenard Road. This view of Lake Spenard would be maintained, becoming an identifiable image and landmark of the Spenard Business District.

## THE FISH CREEK PARK

The Fish Creek Park improvement is located on both sides of Spenard Road where the road crosses the creek. Park development at this location will involve major regrading and site preparation to allow the stream to flow on the surface.

The development of Fish Creek Park is closely related to the development of adjacent private property. Prototypical projects three and four in the "Private Sector Improvements" section of this report show how a new park can be developed in conjunction with private sector development of restaurant and retail space.

The development of a park at this location would contribute to the pedestrian and bicycle network for Anchorage by becoming part of the proposed Fish Creek greenbelt and trail.

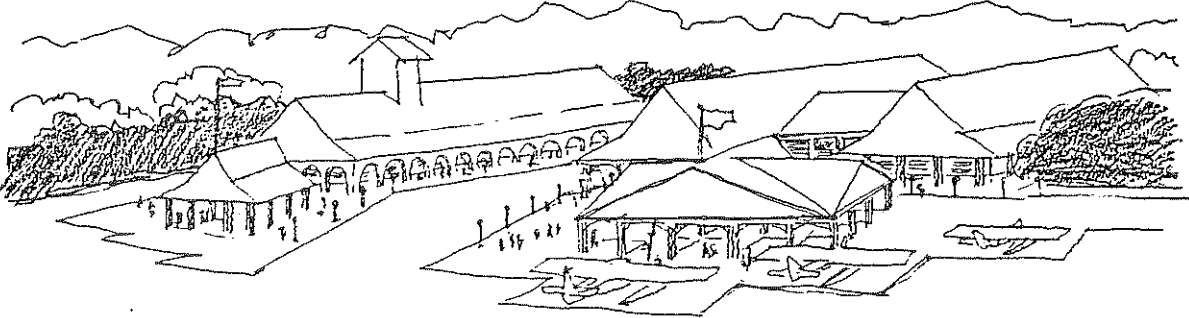
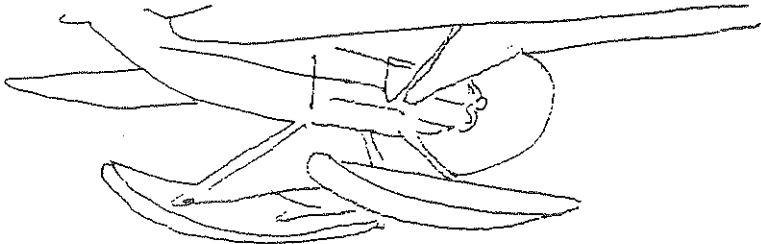


## FLOAT PLANE FACILITY

Prototypical Project Number Two in this report shows public development of the shoreline as part of a private retail development. This area could serve as a short term tie-up for float planes arriving on the lake from other areas and at the same time add activity and interest to the park and retail development.

The float plane is an important vital mode of transportation throughout Alaska. This park site should provide public viewing and access to the world's largest float plane basin. The facility could include an historical interpretive display depicting the design of the float plane and its contribution to the development and exploration of Alaska.

The float plane facility could have a flavor and excitement similar to that of a fisherman's terminal. It could provide a staging area for expeditions and short term tie-downs for pilots and passengers to shop and buy supplies. Hotels in the area could schedule excursions which would originate from the facility. Interpretive displays explaining float plane activity and noting the Lake Hood/Lake Spenard facility as the world's largest could also be incorporated. A directory of Spenard area outfitters, air carriers, and guide services could be provided.



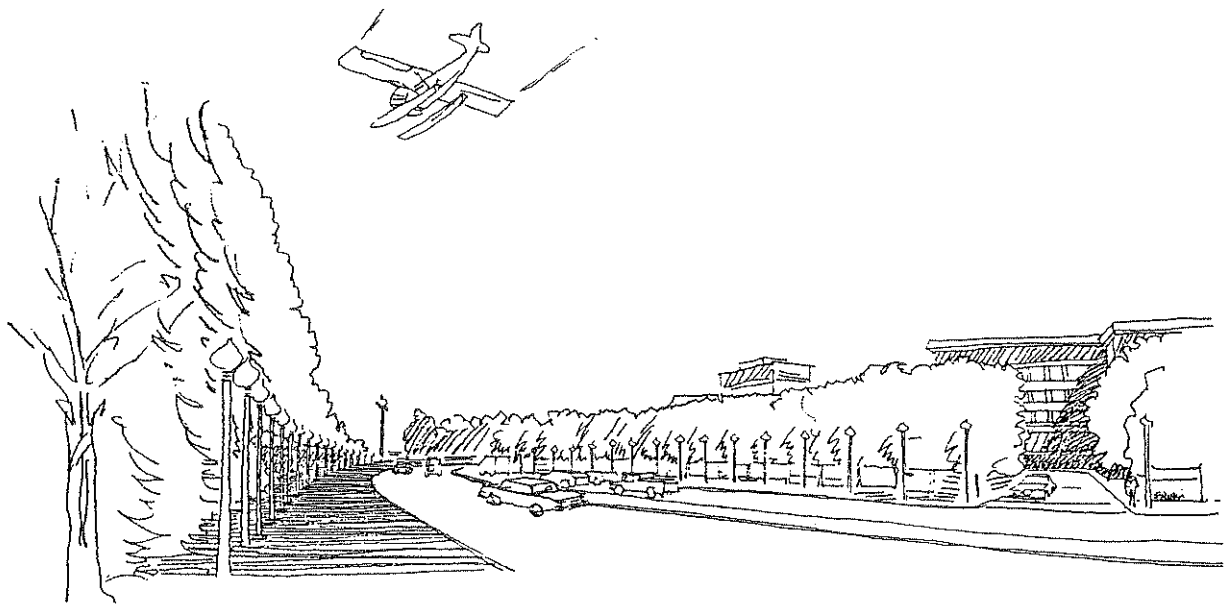
## GATEWAY FEATURES

### Jewel Lake Road

Jewel Lake Road is the western entry to the district. It is important that a good first impression is presented. The following sketch illustrates the possible treatment of the roadway, incorporating trees and landscape screening, ornamental lighting, and pedestrian walks. The reason for the strong vertical elements along the roadway is to help funnel the motorist's view toward Lake Spenard, and to provide a landscape buffer between the road and adjacent development. A sculpture element could be located at the visual terminus of Jewel Lake Road to further emphasize the entry experience.

### Spenard Road/Minnesota Drive Intersection

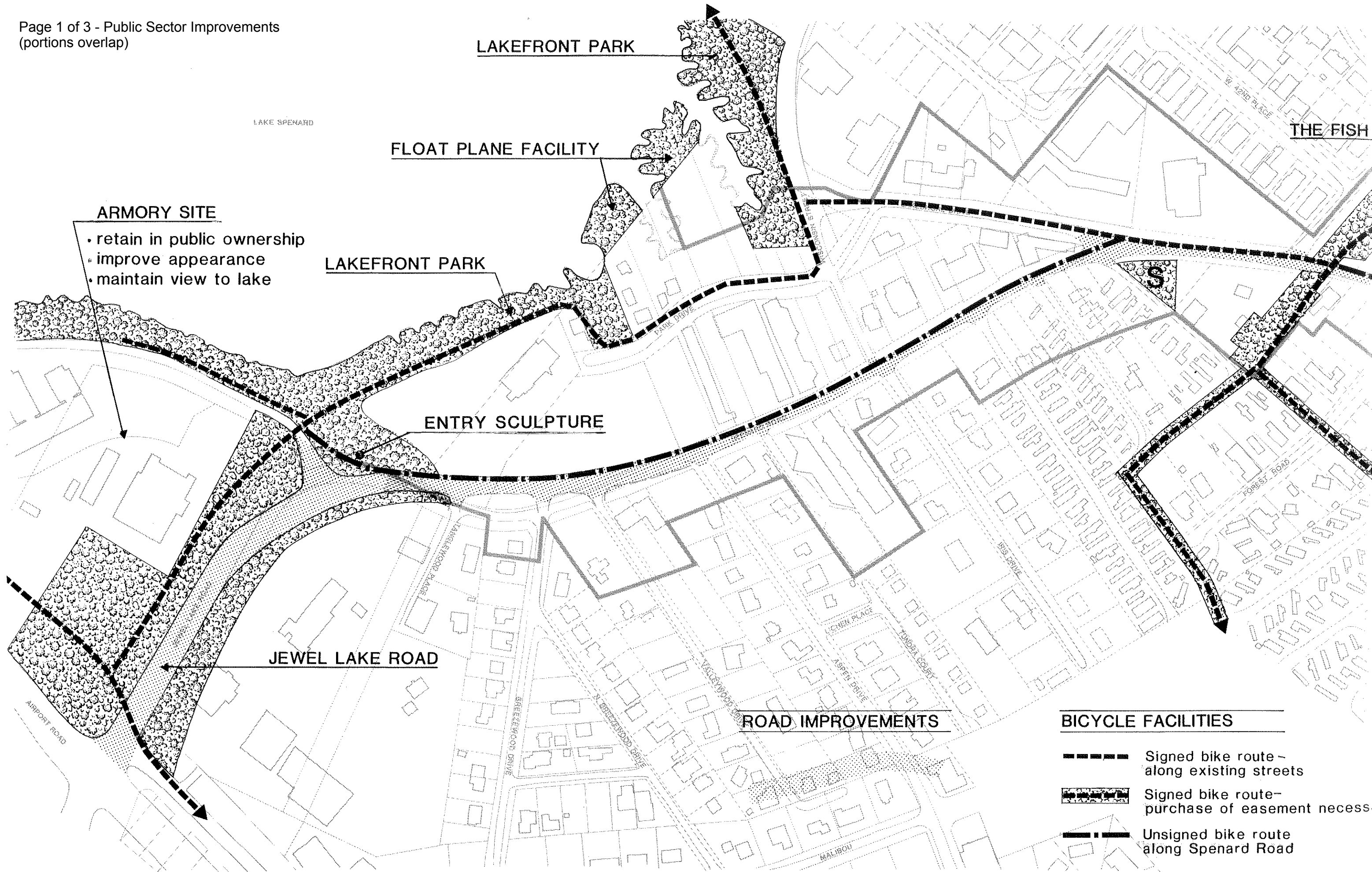
This intersection is the east entry in to the district. Although there is limited space for any major type of development, it is important to provide some element which identifies this eastern "gateway". A strategically placed sculptural element would help to give definition to this entry point. If future development occurs at this intersection, strong consideration should be given to the enhancement of this area to provide a strong "gateway" image to the Spenard Road Business District.





**Figure E-1, Public Sector Improvements**

**The map follows in 3 parts, beginning from left to right.**






- BICYCLE FACILITIES**
- Signed bike route - along existing streets
  - Signed bike route - purchase of easement necessary
  - Unsigned bike route along Spenard Road


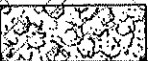
**THE FISH CREEK PARK**

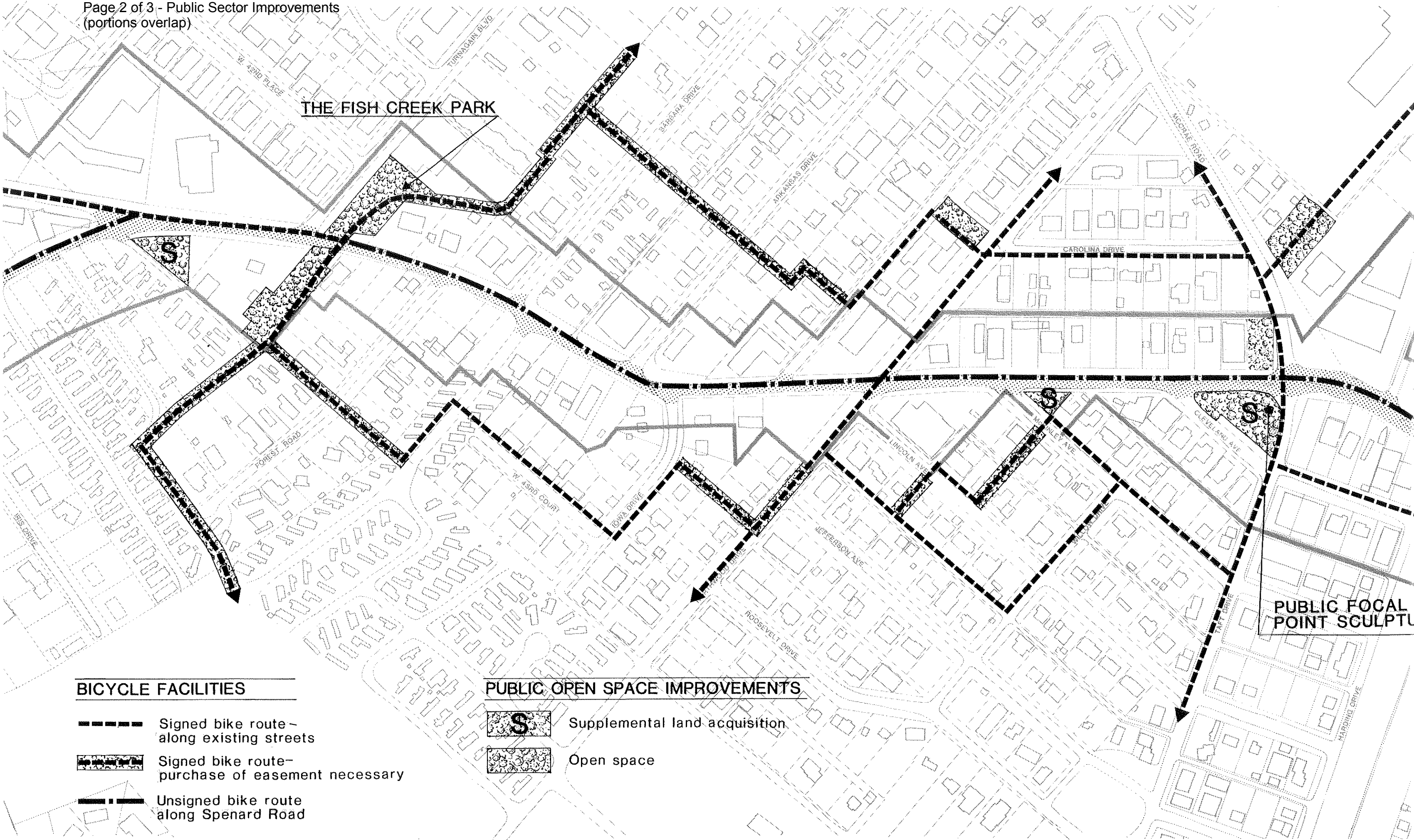
**PUBLIC FOCAL POINT SCULPTURE**

**BICYCLE FACILITIES**

-  Signed bike route - along existing streets
-  Signed bike route - purchase of easement necessary
-  Unsigned bike route along Spenard Road

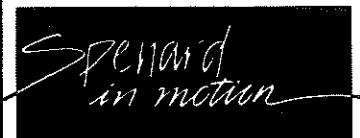
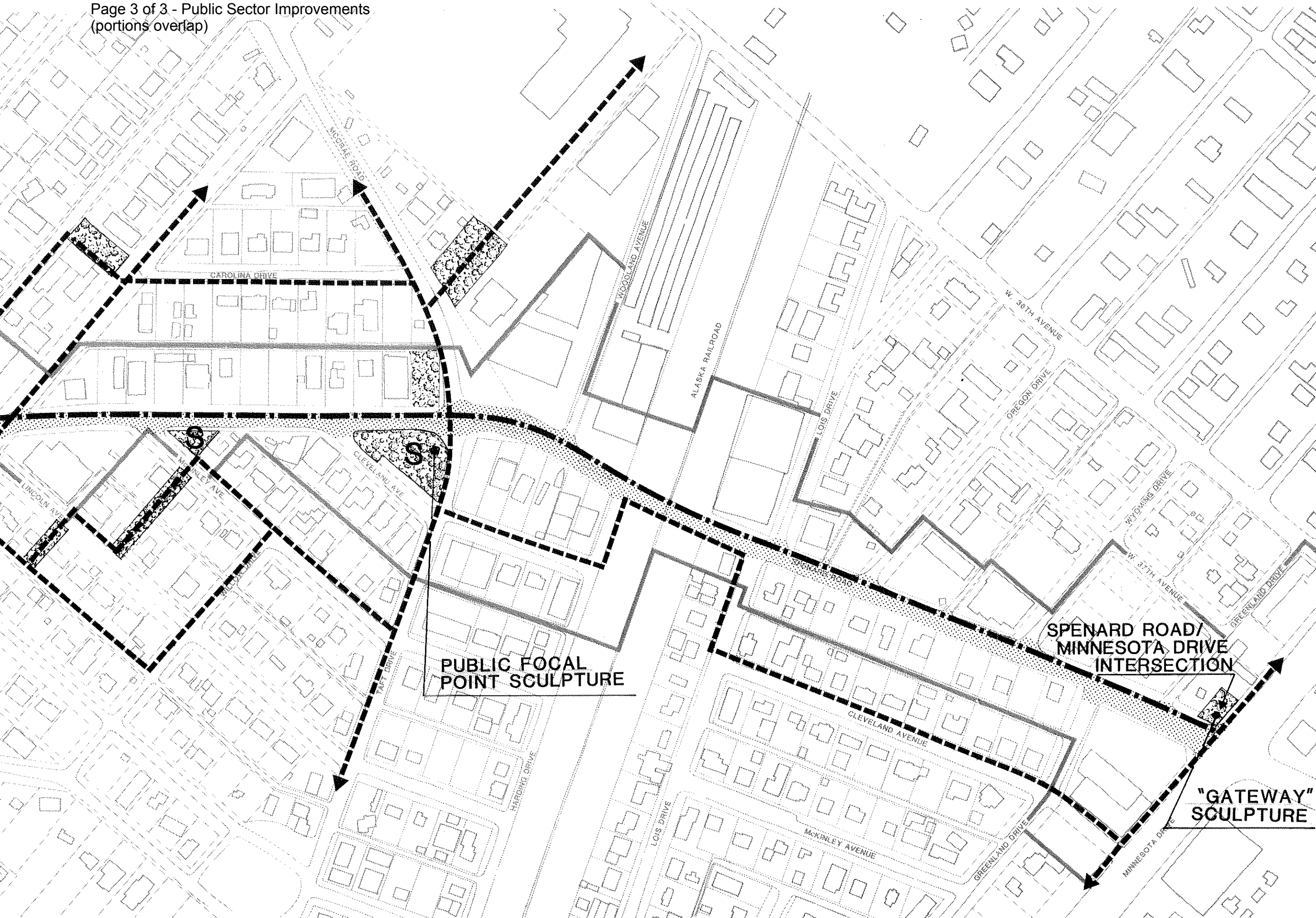
**PUBLIC OPEN SPACE IMPROVEMENTS**

-  Supplemental land acquisition
-  Open space



Architecture  
Engineering  
Planning  
Interiors

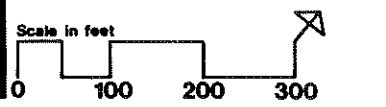
1001 E Benson Blvd.  
Anchorage, AK  
99508-4256  
(907) 277-2641



### Commercial District Development Strategy

Municipality of Anchorage  
Spenard Road Design Review Committee  
Anchorage Neighborhood Housing Services, Inc.

Public Sector Improvements  
FIGURE E-1



Private property development is likely to have the most significant impact on the character and quality of the district. The urban design guidelines proposed herein are presented to address issues regarding private sector development along Spenard Road. The guidelines should be used by the proposed Redevelopment Authority in making judgments regarding private development projects which they sponsor, encourage, or participate in.

## ARCHITECTURAL REVIEW COMMITTEE

It is recommended that a Spenard Road Business District Architectural Review Committee be established under the Redevelopment Authority with the objective of guiding new development in a positive direction by reviewing architectural designs for both new buildings and remodeling of old ones. The Architectural Review Committee should be made up of citizens who live in the Spenard Community, a licensed and practicing architect, a representative from the Redevelopment Authority, and one from the Municipal Community Planning Department. Its responsibility should be advisory to the Redevelopment Authority, and should extend to any projects in which the Authority participates. The guidelines in this report should become the basis for design review.

## URBAN DESIGN GUIDELINES

A primary goal for the Spenard Business District is to encourage developers to locate buildings fronting on the roadway with the majority of off-street parking situated to the rear of the property, thereby helping to establish a continuity of building facades along the street and thus enhancing the overall image of the district. The guidelines illustrate methods of accomplishing the above goal. In addition to encouraging street front orientation, the guidelines offer optional methods for a developer to deal with building placement, setback and landscape screening. They also suggest parameters relating to storefront design, building height, signing and graphics.

## SITE PLANNING GUIDELINES

The site planning guidelines pertain to building placement, setback requirements, associated landscape buffering/screening, and building heights. The guidelines are directed at new commercial development within the existing B-3 zone, as well as the designated "Transition Areas" shown on the Overall Strategy Map.

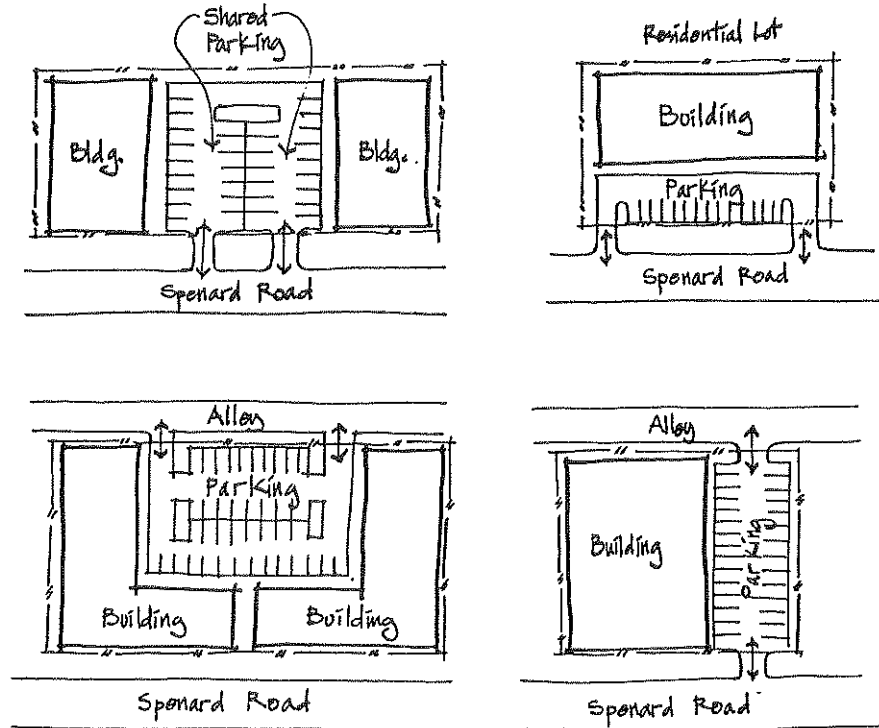
### Building Placement

The primary aim of this guideline is to encourage developers to locate buildings close to and fronting Spenard Road, helping to establish continuity along the street. The examples illustrated below show suggested building location for corner and mid-block lots.

Placement of buildings should conform to setback guidelines also included in this chapter.

- o Corner Lot: Encourage buildings to front on Spenard. Avoid parking on the street side corner of the lot.

- o Mid-Block Lots: Encourage developers to place buildings fronting directly on Spenard Road with parking at the rear or to the side.



## Building Height and Lot Coverage

The present Anchorage zoning ordinance permits unrestricted lot coverage and heights within the B-3 zone, except that structures shall not interfere with Federal Aviation Administration regulations on airport approaches.

The stretch of road between Wisconsin Street and the railroad tracks should have a three story height limit established. This limitation is proposed to help maintain a smaller business character within the central portion of the district.

The areas east of the railroad tracks and west of Wisconsin Street should continue to be unrestricted as far as height, except that the structures cannot interfere with airport approaches.

Lot coverage should remain unrestricted, but should conform to recommended setbacks illustrated in the following section. The issue of lot coverage is limiting since it is directly related to required parking for each type of particular use. In general smaller buildings will require smaller parking lots maintaining the "fine grain" scale of the District.

## RECOMMENDED LANDSCAPE SCREENING AND BUFFERING GUIDELINES

Landscape treatment falls into three categories as defined by the newly adopted Anchorage Municipal Landscape Ordinance. The three types are: visual enhancement landscaping, buffer landscaping, and screening landscaping. The recommendations herein are based on the Municipality's ordinance. Where appropriate, even greater landscape treatment has been suggested.

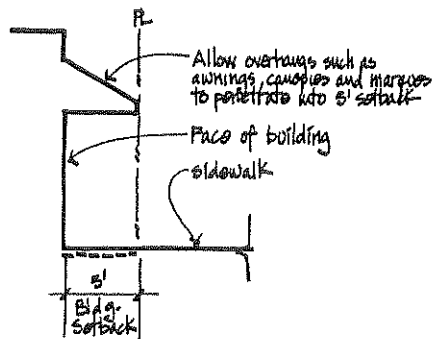
Five different relationships or conditions have been identified which concern setback and landscaping between a proposed new development and an existing adjacent land use.

### Setback and Landscape Screening Guidelines for Development Adjacent to Spenard Road:

It is the intent of these recommendations to encourage development which fronts directly on the street to provide spatial definition to the district while enhancing pedestrian access.

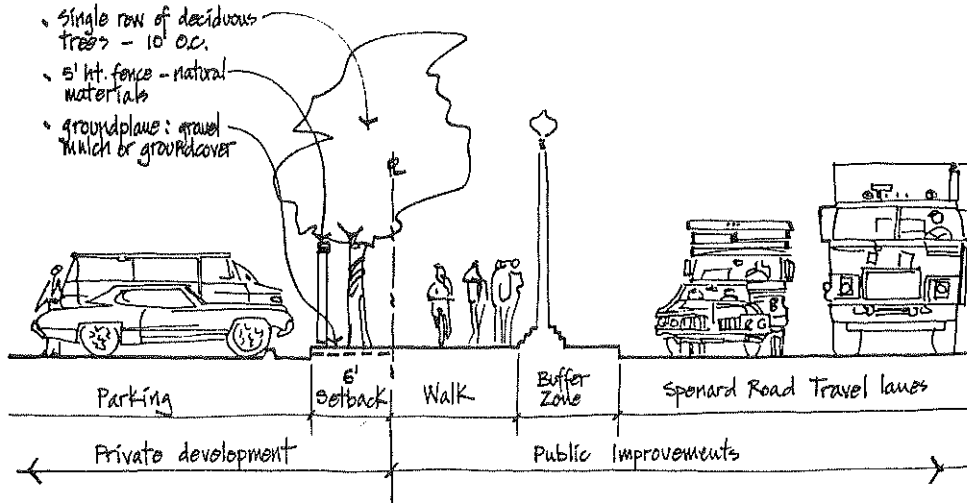


- o Buildings Adjacent to Spenard Road: A five-foot setback from the property line is recommended, with overhangs such as awnings, canopies, and marquees being allowed to extend to the property line. Surface treatment within the five-foot setback should be either an extension of sidewalk paving to the building edge or landscape planting. Sidewalks should be kept clear for unobstructed pedestrian passage, i.e., newsstands, reader boards, etc., should not be placed in the right-of-way.

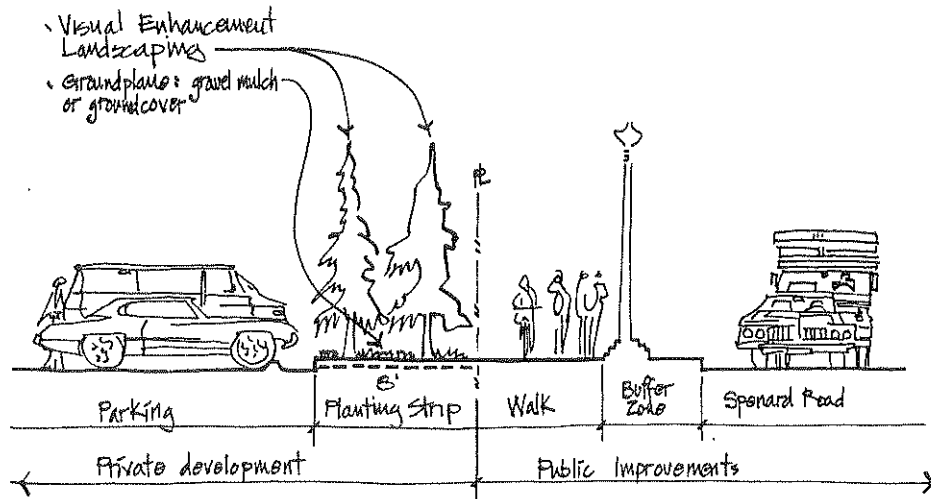


# Private Improvement Strategy

- o Parking Adjacent to the Road: Two options are recommended and illustrated below. This guideline is also recommended for existing businesses, and should be implemented where feasible.



Parking adjacent to Road - Option A

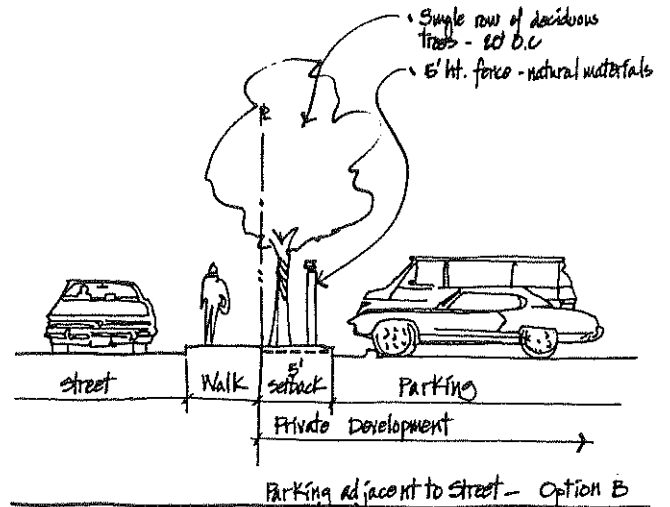
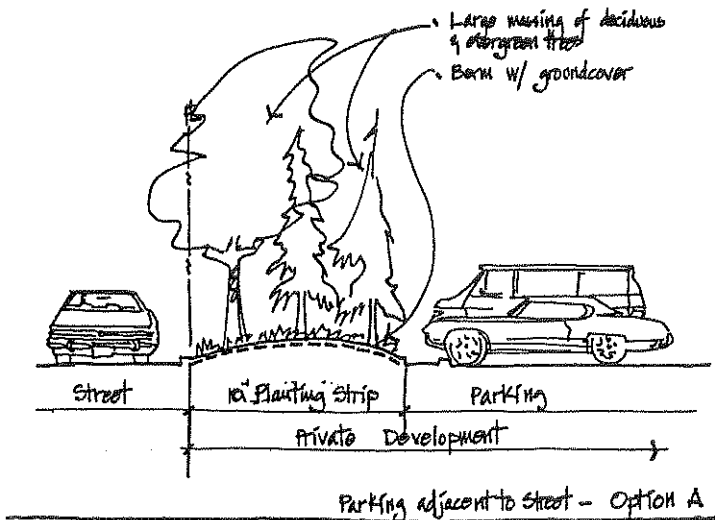


Parking adjacent to Road - Option B

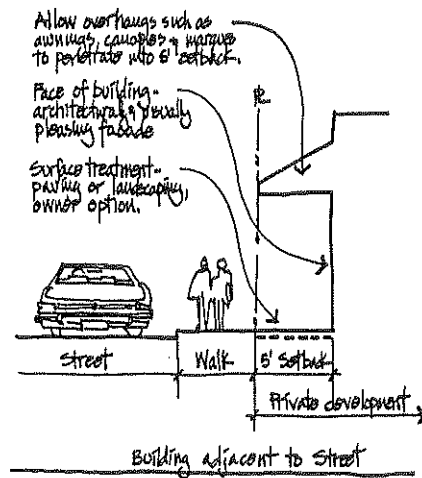
# Private Improvement Strategy

## Setback and Landscape Screening Guidelines for Development Adjacent to a Neighborhood/Residential Street

- o Parking Adjacent to a Street: Two options are recommended and illustrated below when parking is adjacent to a residential street. Option A requires a 10' wide planting strip with the Visual Enhancement Landscape Treatment. Option B requires only a 5' planting strip but incorporates a screening structure or decorative fence.

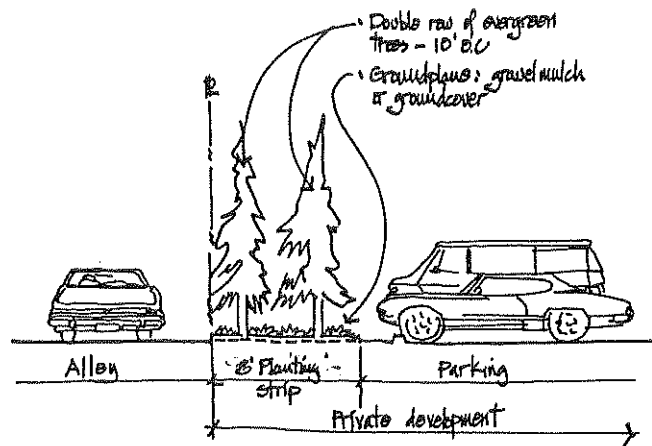


- o Corner Lot Development: The guideline for parking described above also holds true when parking must occur at a corner lot; however, this is not preferred. To enhance and promote the character of the district it is recommended that buildings be located at the corner as illustrated in the Building Placement section of these guidelines. Due to the small lot sizes a five-foot setback from cross streets is recommended. It is strongly recommended that the facade or architectural treatment which occurs on the front of the building which faces Spenard should wrap around the corner and include the side facing the neighborhood street. Overhangs such as awnings, canopies and marquees should be allowed within this five-foot setback.



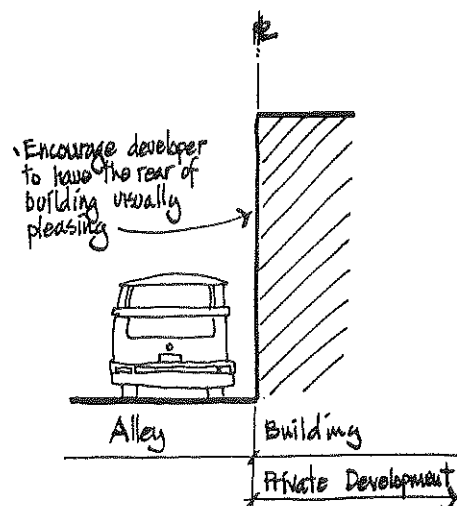
## Setback and Landscape Screening Guidelines Adjacent to an Alley

- o **Parking Adjacent to Alleys:** It is preferred that parking and its access occur off an alley when possible. An eight-foot setback is recommended with landscape buffer protected by wheelstops to prevent parked cars encroaching into the planting strip as shown below:



Parking adjacent to Alley - Option A

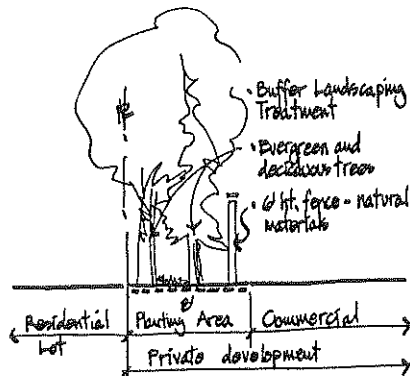
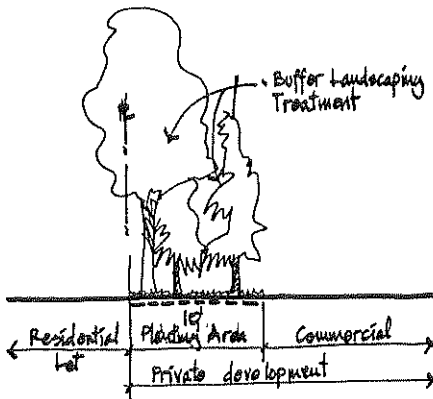
- o **Building Adjacent to an Alley:** In some cases, due to the small and shallow lots along Spenard, buildings may end up adjacent to an alley. Buildings are permitted to be built up to the property line.



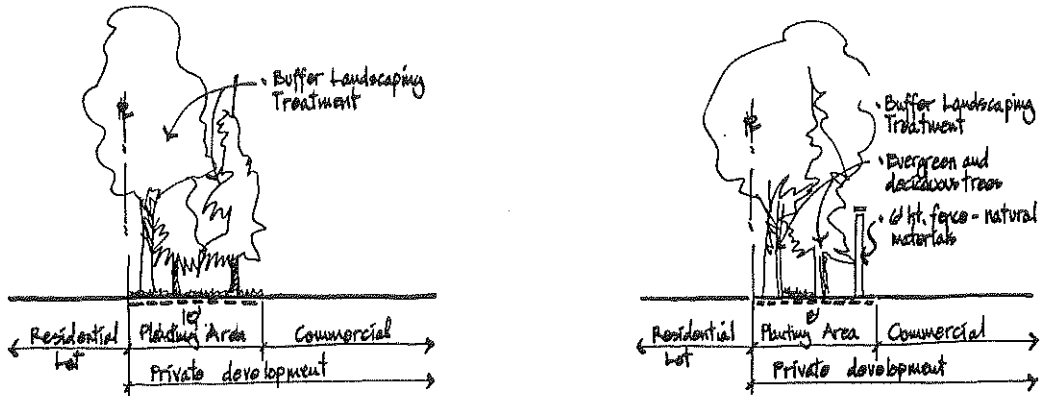
Buildings built adjacent to alleys should have attractive facades facing the alley, similar in appearance and function to the front of the building. Recommendations for facade treatment are outlined in a subsequent section.

## Setback and Landscape Screening Guidelines for Development Adjacent to Residential Property:

The interface between residential property and commercial development is potentially critical. Therefore, it will be important for new development to be responsive and sensitive to adjacent residential property. The sketch below shows a recommended landscape treatment for these setbacks. Landscape treatment is to conform to the buffer landscaping outlined in the code.



Proposed new development within the designated 'Transition Areas', shown on Figure F-1, and adjacent to residential property is given two options with regard to setbacks and landscape buffering.



In addition to landscape buffering, developers should be encouraged to present pleasing rear yards to adjacent residential property. Existing businesses should be encouraged to repair or fix up the appearance of the backs of their buildings.

## Setback and Landscape Recommendations for New Development Adjacent to Commercial Uses:

No setback should be required. As a general rule however, any development being proposed adjacent to existing commercial property should be responsive to and considerate of that use. Each proposed use should be evaluated on a case by case basis.

## ARCHITECTURE AND FACADE TREATMENT

The Spenard Road Business District will draw much of its strength, vitality and image from the architectural appearance of future development. Redevelopment of existing structures can also help to improve the image of the district. New development should be carefully designed to develop a consistent appearance and character for proposed buildings. Established businesses, which provide a good historical base for Spenard, should be encouraged to improve their appearance, which will in turn encourage quality new development.

### Design Principles

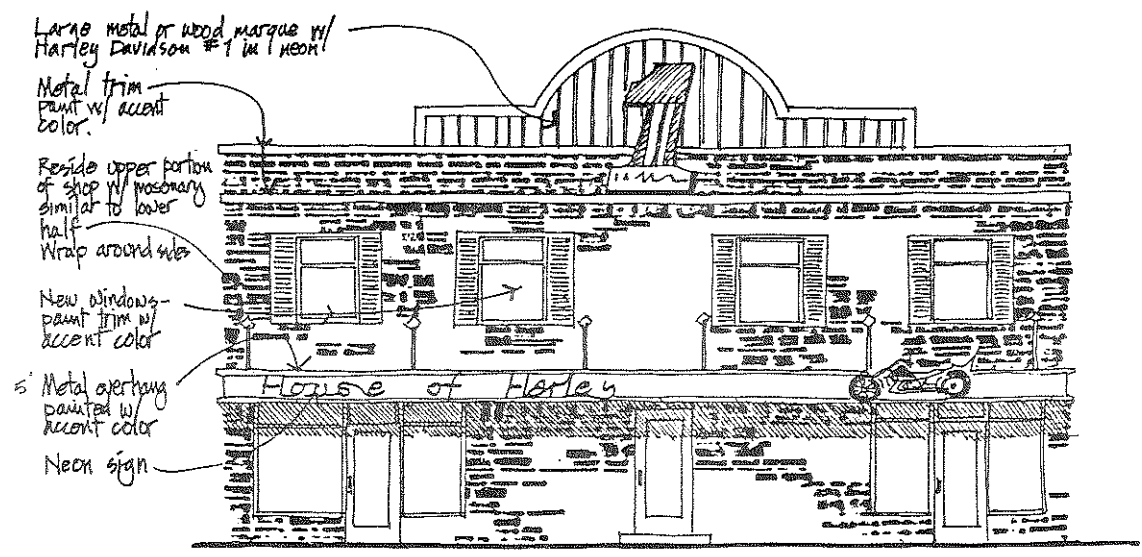
These principles reflect the general design approach that is proposed for all new commercial development in Spenard. The objective of these principles is to allow diversity and individual expression while maintaining a general overall consistency.

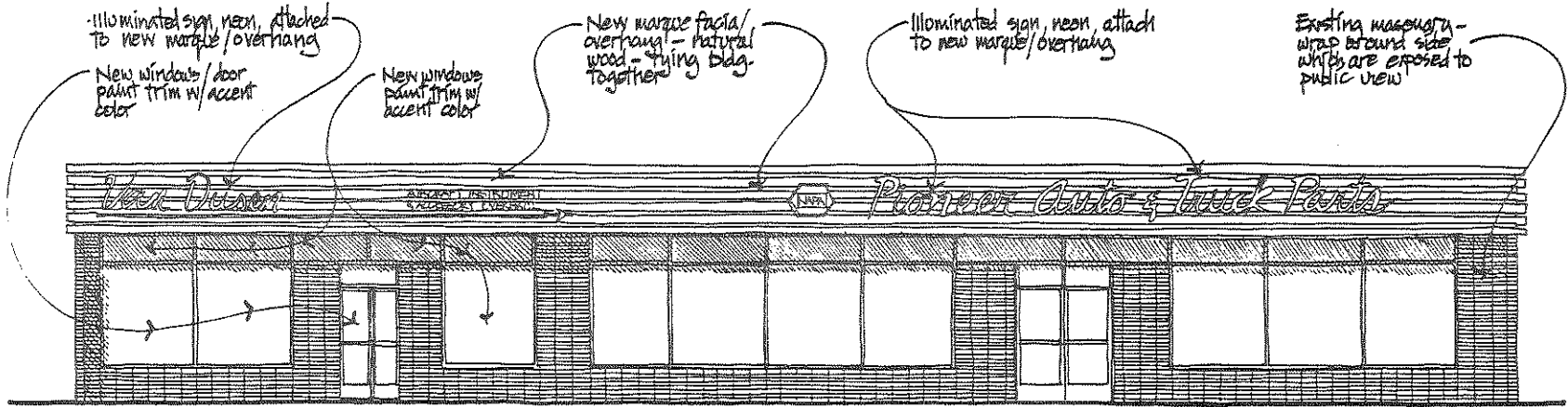
- o Encourage the use of natural materials for general building wall surfaces such as wood, stone, natural concrete and fired masonry.
- o Color choices should be limited to promote a more homogeneous feeling. Neutral colors should be used on the predominant surfaces of most buildings, with the use of bright accent colors limited to trim, graphics and smaller surfaces.
- o Overhangs such as awnings and canopies done in bright colors should be encouraged and permitted to extend into the five foot setback along Spenard Road.
- o Public entrances to buildings should be architecturally accented and readily identifiable.



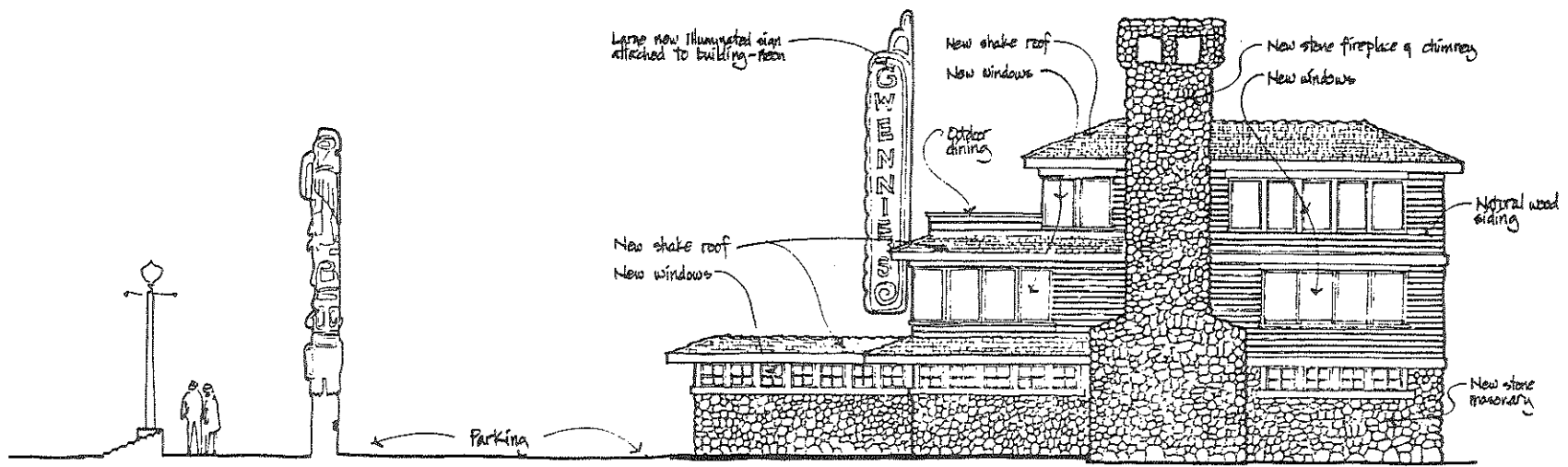
- o Window and door arrangements should be carefully composed into a consistent architectural treatment for each building.
- o Pedestrian scale should be enhanced by the use of arcades and architectural details which reduce the apparent height of tall structures.
- o Arcades which provide continuous cover for pedestrian access between buildings should be encouraged, and will greatly increase pedestrian comfort in inclement weather.
- o Building walls which are visible from adjacent residences should be visually attractive.
- o Buildings which have sides that are open to public view along the roadway should be encouraged to continue the front wall treatment onto these exposed areas.
- o To encourage an uncluttered appearance at the rear of the buildings, all unnecessary hardware and signs should be removed, service and garbage storage should be screened, and where appropriate, low level lighting and graphics should be installed.

The following sketches illustrate examples of how three existing establishments could be improved or remodeled:





Private Improvement Strategy



## ON PREMISE SIGNING

On premise and private business signs will have a considerable impact on the visual character of the Spenard Road Business District. The following guidelines are recommended to encourage visually attractive signs:

- o As a general rule the visual conflict between public and private informational elements should be minimized. Private signs should be located so as not to compete with public signs.
- o Signs should be located near the activity or business they represent.
- o Visual symbols or logos expressing the business of the establishment should be encouraged.
- o Neon and internally illuminated signs should be encouraged.
- o Flashing or rotating lights should not be permitted.
- o Signing and graphics should be integrated into canopies and awnings wherever possible.
- o Signs mounted on buildings should be integrated with the overall design of the building.
- o Temporary or mobile signs should not be permitted.\*
- o Off premise signs or billboards should be prohibited.\*

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\*These are not permitted under the new Municipal Sign Ordinance.

- o Where several businesses share the same building or site they should be encouraged to group their signs together or locate them within the building facade in a manner which unifies their organization and appearance.
- o Free standing signs which are permanently attached should be allowed on private property as long as they relate to activities or businesses on the site where they are located.
- o Signs or marquees attached to a building should be permitted to overhang into the five foot setback along Spenard Road.

## TRANSIT DESIGN GUIDELINES

Urban design guidelines should provide for bus stop locations to be linked to continuous sidewalks leading to pedestrian destinations in the business district. For traffic safety and bus flow bus stop locations would generally be after (on the far side of) major intersections along Spenard Road, unless incorporated directly into the design of a specific development.

Provision for sheltered waiting areas at bus stops should be made. Given the zero lot lines and upgraded building facades encouraged by the proposed urban design guidelines, there may be excellent potential for designing sheltered waiting areas into the frontages of proposed projects in ways that will not conflict with pedestrian access to building entrances, generate additional developer costs, or require freestanding passenger shelters at curbside locations.

Where curbside waiting areas and on-street amenities are used, potential conflicts with continuous pedestrian flows or auto traffic should be minimized. Passenger shelters, benches, and information displays should be located in the buffer zone between the permanent sidewalk and future traffic lane wherever possible. This will ensure access to the permanent side-

walk for bus patrons, provide spatial distance between waiting passengers and auto traffic in the curb lane, and avoid aesthetic disruption of the planting strip in the future traffic lane.

For those projects on larger sites to be consolidated by the redevelopment authority, we urge consideration of appropriate special limitations to encourage participation by developers and tenants in parking reduction efforts. Moderate parking limits, particularly for non-retail oriented commercial developments, may be needed to maintain Spenard Road traffic volumes within acceptable standards. Parking reductions would be accompanied by specific plans to stimulate use of transit, carpooling, and non-mechanized transportation modes.

Following are specific examples of bus stop locations applied to the seven prototypical projects contained in the draft report. These are offered as illustrative examples of how transit-sensitive urban design guidelines might be applied to the Spenard corridor.

## United Building Supply Site (Prototypical Project 1)

Assuming this parcel is used for a major hotel and office project, transit access will be highly desirable. This site is bounded by both Spenard Road and Airport Road, and as such is served by two bus routes offering direct bus access to the airport, downtown, as well as the Dimond Center area. Bus stops should be located along both the southern and western frontages of the project. The northbound stop location should be along the straight portion of Jewel Lake Road south of the curve onto Spenard Road to minimize traffic hazards (see Figure G-3). A bus turnout at this location may be desirable.

## Retail/Float Plan Complex (Prototypical Project 2)

Direct bus service connections from downtown hotels could be quite attractive to area visitors. Although the project would not front directly on Spenard Road, development of this site should include a path or sidewalk linking retail shops and the southbound bus stop along Spenard Road. The stop itself should be located conveniently to the hotel under construction and the path to shops and the waterfront. A desirable location is adjacent to the north wing of the hotel abutting the Spenard Road frontage. A transit information kiosk could be placed in the retail complex near the path leading toward the bus stop (see Figure G-6). Alternatively, the stop could be placed on the far side of the Wisconsin Street intersection allowing pedestrians use of the sidewalk and park area for waterfront access.

## Fish Creek Retail Area (Prototypical Project 3)

This project as described already has a pedestrian orientation into which a transit stop could potentially be integrated. Location of the stop and passenger amenities in the central open space near the proposed pedestrian/bicycle underpass is suggested (Figure G-9).

## Fish Creek north of Spenard Road (Prototypical Project 4)

The desirable bus stop location for this project may be on the southern portion of the Spenard Road frontage at the greenbelt (Figure G-12).

## Economy Hotel (Prototypical Project 5)

The small frontage of this project along Spenard Road may prevent incorporation of a bus stop at this project. Nevertheless, we believe that a development of this type may prove a good generator of transit trips. Alternatively, it is suggested that the location of the existing stop on the far side of the Barbara Drive intersection (near House of Harley) be



retained and upgraded as sidewalk and roadway improvements are implemented (Figure G-15).

## Professional Office/Retail (Prototypical Project 6)

The office portion of this project is likely to be the generator of bus trips, particularly if medical facilities are ultimately located here. It is suggested that the existing bus stop be relocated from the near side of the McKinley Avenue intersection to the far side of the intersection and incorporated into the frontage of the project. This would enable pedestrians to access the building at the southwest corner of the building (Figure G-18).

## Spenard-Cleveland Retail (Prototypical Project 7)

Location of a new stop for northbound buses on the far side of the Lois Drive intersection is recommended (Figure 21) in conjunction with Phase I of the project.

## V I S U A L   T H E M E

Spenard is unique among Anchorage neighborhoods, and most of its uniqueness comes from the character of the business district along Spenard Road. While some of this distinctive character is due to the nature of the businesses themselves, there are a number of distinguishing physical characteristics that should be carried on in new developments:

- o Angular building shapes in plan due to the curving road
- o Small structures on small sites
- o Low-rise development usually not more than three stories.

- o Parking distributed in small lots
  
- o Fine grain expressed in individual signing for small businesses

The nature of Spenard businesses also gives a clue as to the visual character that should be expressed. Positive images that grow out of businesses located in Spenard include the float plane base, expedition outfitters, hospitality, dining, and entertainment establishments. The idea of Spenard as a float plane base and gateway for sportsmen to the Alaskan wilderness should be emphasized in the appearance of new Spenard businesses. The image Spenard projects should be one of natural materials and controlled use of bright colored trim recalling the contrast between forms and materials in nature and the colors and finishes associated with the "wilderness technology" of float planes, recreational equipment, and hunting and fishing equipment.

Base colors, finishes and materials should recall the natural environment:

- o Varnished or stained wood
  
- o Painted surfaces in grays and earth tones
  
- o Natural masonry
  
- o Natural concrete
  
- o Stone

Bright trim and accent colors should be used sparingly recalling outdoor recreation equipment and activities:

- o Painted wood and metal in bright white and primary colors

- o Colored canvas and other fabrics
  
- o Colored plastics
  
- o Brightly colored sign graphics

The above general guidelines would apply to design detail on both public improvements associated with road and park development, and private development projects such as new commercial buildings and/or improvements to existing buildings. These guidelines are suitable for buildings up to three stories in height, but may require different interpretation on larger buildings such as those that might occur near International Airport Road and at Minnesota Drive.

Seven sites along Spenard Road have been selected for study as prototypical projects illustrating private development consistent with the development strategy. Eight of the candidate land uses are represented: first class hotel, economy hotel, general speculative office, neighborhood and professional office, convenience retail, specialty retail, auto-oriented retail, and eating drinking and entertainment. Floor areas on each site plan are representational. The cumulative total floor area for all projects falls short of the year 2000 economic projections, so that only a portion of the total amount of commercial development which the district is able to absorb by the year 2000 is illustrated by the prototypes.

Each example is hypothetical and is meant as a suggestion of how development might occur. The sites were chosen on the basis of availability, suitability for the proposed use, and the ability of the site to be developed in a way which will reinforce the direction of the redevelopment strategy. Refer to Figure G-1 for the location of each prototypical project and how each fits within the context of the whole business district.

A financial analysis has been prepared for each project. The financial performance of each is presented in terms of return on cost. This measure (equivalent to a capitalization rate) can be compared to a required investor to determine whether the project is feasible. Return on cost is calculated as operating income for a stabilized year of operation divided by total development cost. Development costs are presented in terms of hard costs (construction costs), land cost, and soft costs which include various fees, financing costs, and developer profit. A project is considered feasible if its return on cost exceeds the following approximate level:

Hotel	10.5% - 12.0%
Office (major)	9.0 10.5
(smaller)	9.5 11.0
Retail	10.0 11.0

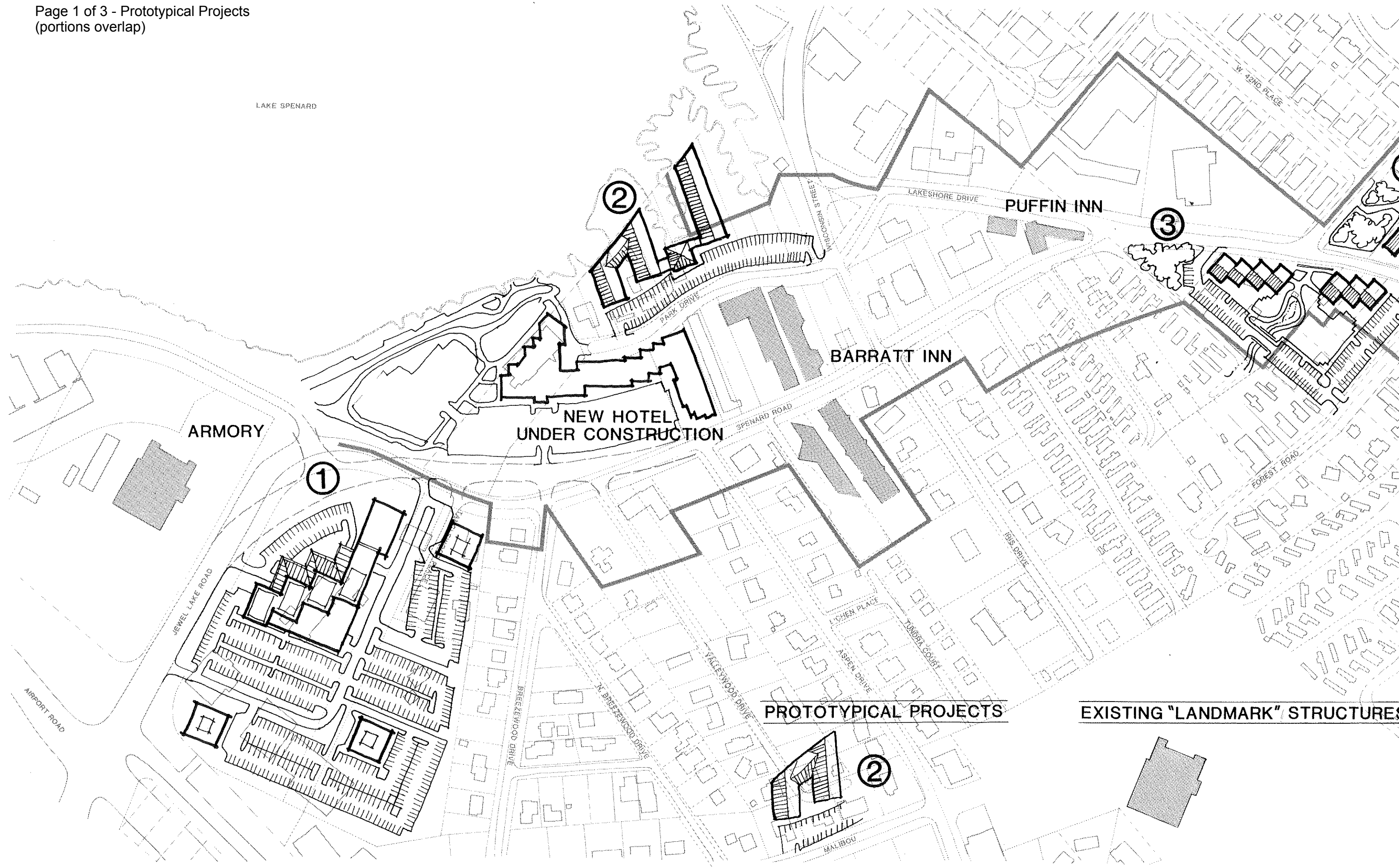
## **Prototypical Projects**

This method is a standard one for real estate financial analysis; however, it involves various simplifying assumptions. The method is applicable to projects which are typical in the behavior of their income stream over time. In such projects, the income would build to the stabilized level the third year and increase with inflation thereafter.

The cost of land is estimated at \$15 per square foot for each prototype. this is not intended to reflect the price of any particular parcel, rather to indicate the financial impacts of typical projects.

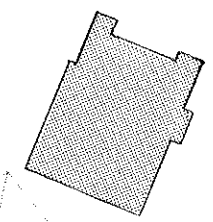
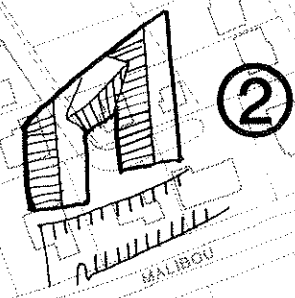
**Figure G-1, Prototypical Projects**

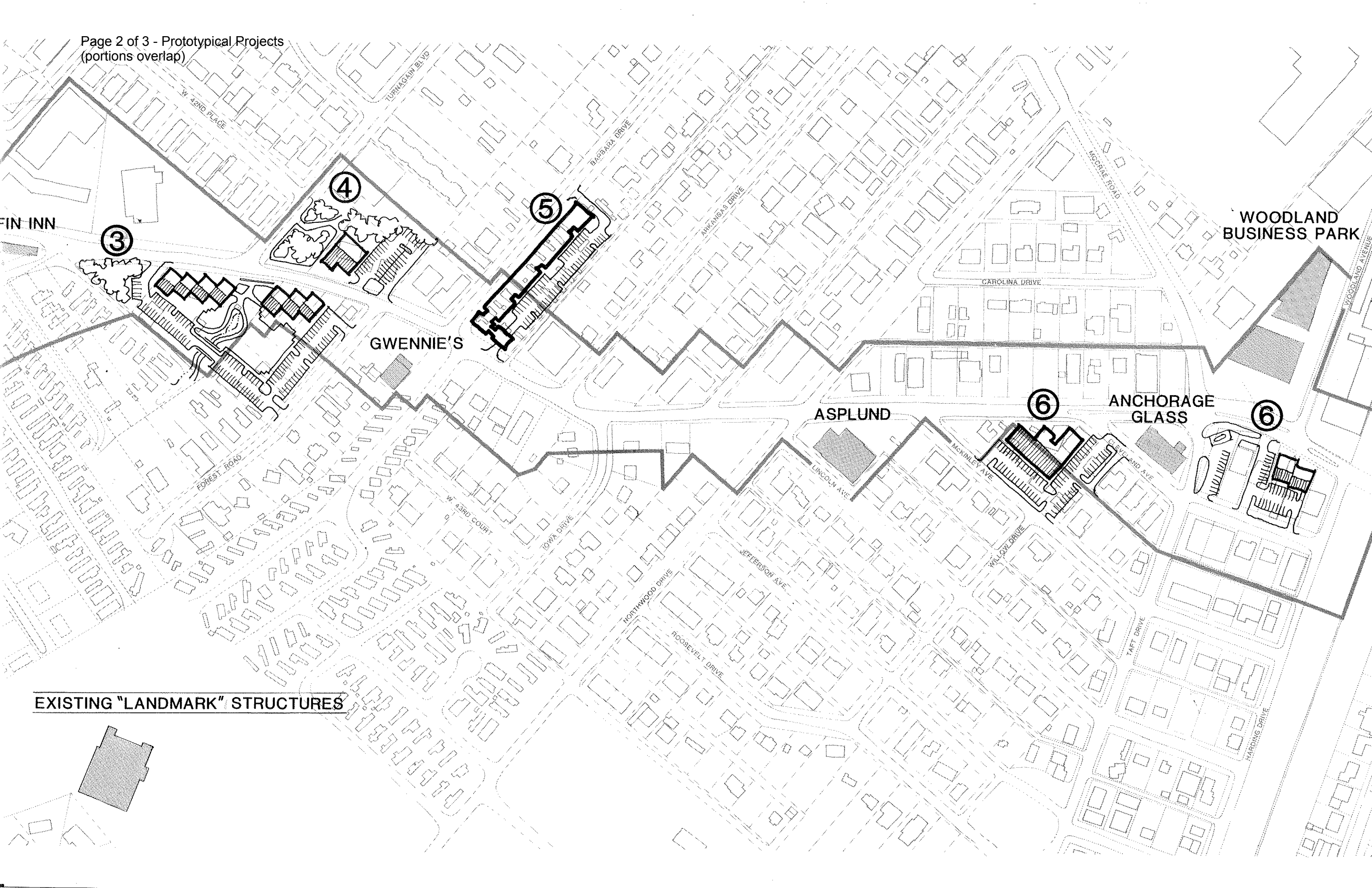
**The map follows in 3 parts, beginning from left to right.**



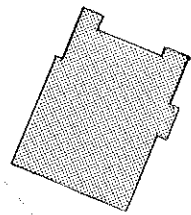
PROTOTYPICAL PROJECTS

EXISTING "LANDMARK" STRUCTURES





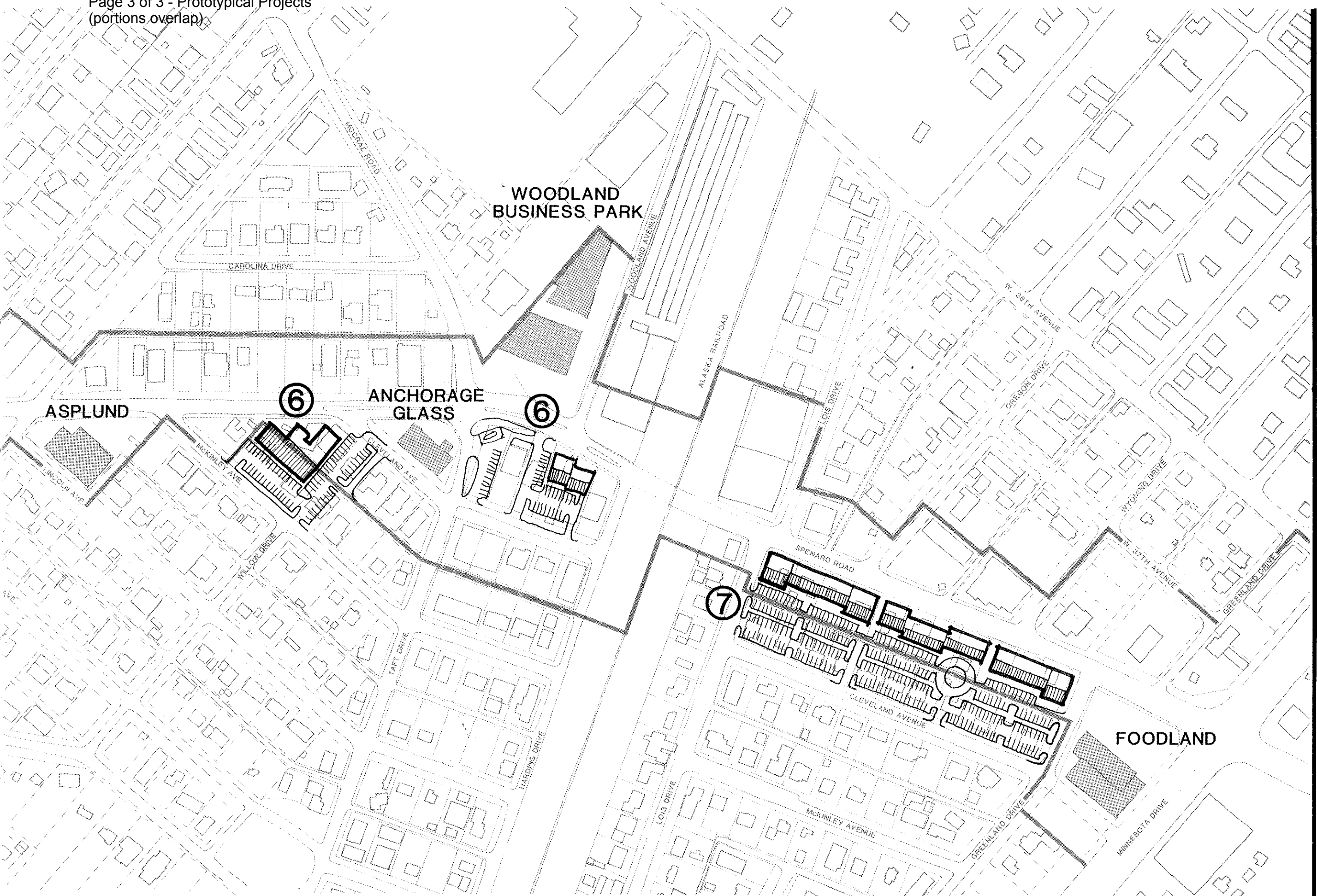
**EXISTING "LANDMARK" STRUCTURES**





Architecture  
Engineering  
Planning  
Interiors

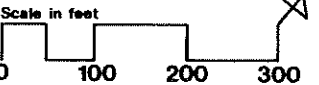
1001 E Benson Blvd.  
Anchorage, AK  
99508-4256  
(907) 277-2641



### Commercial District Development Strategy

Municipality of Anchorage  
Spenard Road Design Review Committee  
Anchorage Neighborhood Housing Services, Inc.

Prototypical Projects  
FIGURE G-1



## PROTOTYPICAL PROJECT NUMBER ONE

Redevelopment of the United Builders Supply Site with a Hotel/Office Complex.

### DEVELOPMENT CONCEPT

The U.B.S. site is approximately 12 acres and would require the assembly and acquisition of six individual parcels ranging from one-half acre to slightly over three acres. The site is identified as an appropriate location for a first class hotel and major speculative office complex.

The hotel is conveniently located near the airport and sited to take advantage of views toward Lake Spenard. The office buildings and parking are situated towards the rear of the site. The site would accommodate a first phase office development of 50,000 square feet in two four story towers and a 200-250 room first class hotel with a companion restaurant. A second phase shows an additional 25,000 square foot office tower. Parking ratios are one car per room for the hotel and one car for each 300 square feet of office space. All parking, in both phases, is shown as surface parking.

This site is at the western entrance to the Spenard Road business district, and development there should address this fact by appropriately reflecting the "Gateway to Alaska" or "Expedition Theme" image which the district would like to portray. This could be accomplished by providing setbacks along Jewel Lake and Spenard Roads to permit substantial landscaping in keeping with the expressed theme. The linear stand of large existing trees along the east edge of the site should be preserved. These trees can serve as an excellent buffer to the neighboring residential area as well as provide a distinctive visual landmark when approaching the district from the west.

## ECONOMIC ANALYSIS

The pro forma financial analysis for Prototype 1 is provided in Table D-1.

The 225-room hotel represents 37% of the projected supportable new development of first-class hotel rooms in the district by the year 2000. The 75,000 square foot office building represents 25% of the estimated supportable new speculative office space in the district by that year.

As shown, the return on cost for this prototype is 7.4%. This can be compared to a required return on cost (as measured by an overall capitalization rate) of 9% to 10.5% for an office and 10.5% to 12% for a hotel. The project is not feasible at this time.

The office portion of the project actually has a return on cost of 9.6% which would be acceptable. The lower return on cost for the hotel portion is due to the constraints on hotel room revenues. New hotel construction underway in the Spenard area as well as elsewhere will serve to hold down room rate increases. Development of the hotel portion would not be feasible until market conditions allow higher rates. However, development may occur prior to that time as developers seek to control suitable hotel sites.

The financial performance would be improved somewhat if the 2.5 acres of the site currently owned by the Municipality were made available at nominal cost. This would increase the return on cost to 7.8%. Further, use of tax exempt financing through the Alaska Industrial Development Authority would reduce the required capitalization rate to 8.5% to 10%.

## PROTOTYPE 1 PROFORMA

Description of Project: 225 room hotel with 125 seat restaurant  
 75,000 GSF office  
 585 parking spaces  
 10.68 acres of land

## Net Operating Income:

## Income:

Room revenue (\$70 av. rm. rate 70% occupied)	\$4,024,100
Other hotel revenue (40% of hotel revenue)	2,682,700
Office space (\$2.25/sf NRA/mo. @ 95% occupancy @ 90% efficiency)	<u>1,731,400</u>
Total Income	8,438,200

## Expenses:

Hotel departmental expenses (47% hotel rev.)	3,152,200
Hotel undistributed expenses (22% hotel rev.)	1,475,500
Hotel fixed charges (5% of hotel revenue)	335,300
Office expenses (24% of office revenue)	<u>415,500</u>
Total Expenses	5,378,500

Net Operating Income before Debt Service and Taxes

\$3,059,700

## PROTOTYPE 1 PROFORMA (CONTINUED)

## Development Cost:

## Construction Hard Cost:

Hotel (\$63,000/room)	\$14,175,000
Office (\$95/gsf)	7,125,000
Hotel FF&E (\$15,500/room)	3,487,500
Office Tenant Improvements (\$20/sf NRA)	<u>1,350,000</u>
Total Hard Cost	26,137,500
Land Acquisition (10.68 ac @ \$15/sf)	6,978,300
Soft Cost (25% of Hard Cost & Land)	<u>8,279,000</u>
Total Development Cost	<u>\$41,394,800</u>

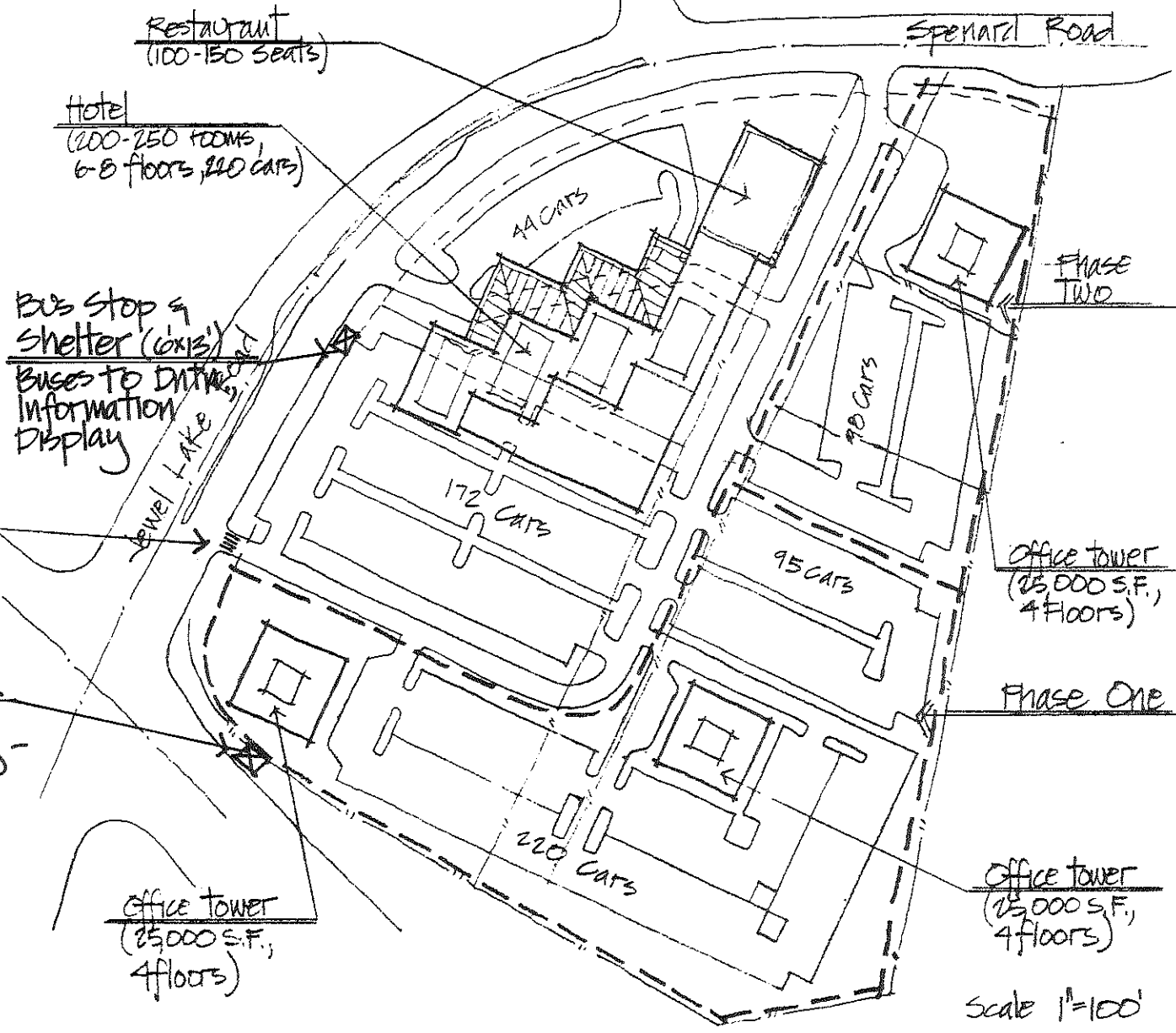
Return on Cost:  $\$3,059,700/\$41,394,800 = 7.4\%$

\*The figures shown here are subject to change as market conditions governing the underlying assumptions continue to change over time.

- HOTEL
- 200-250 ROOMS
  - 6-8 floors
  - 247 CARS
- OFFICE
- Phase One
- 50,000 S.F.
  - 220 CARS
- Phase Two
- 25,000 S.F.
  - 98 CARS

Crosswalk

Bus Stop & Shelter  
(6x13)  
Information display -  
Buses to Airport



No.	Date	By	Revision

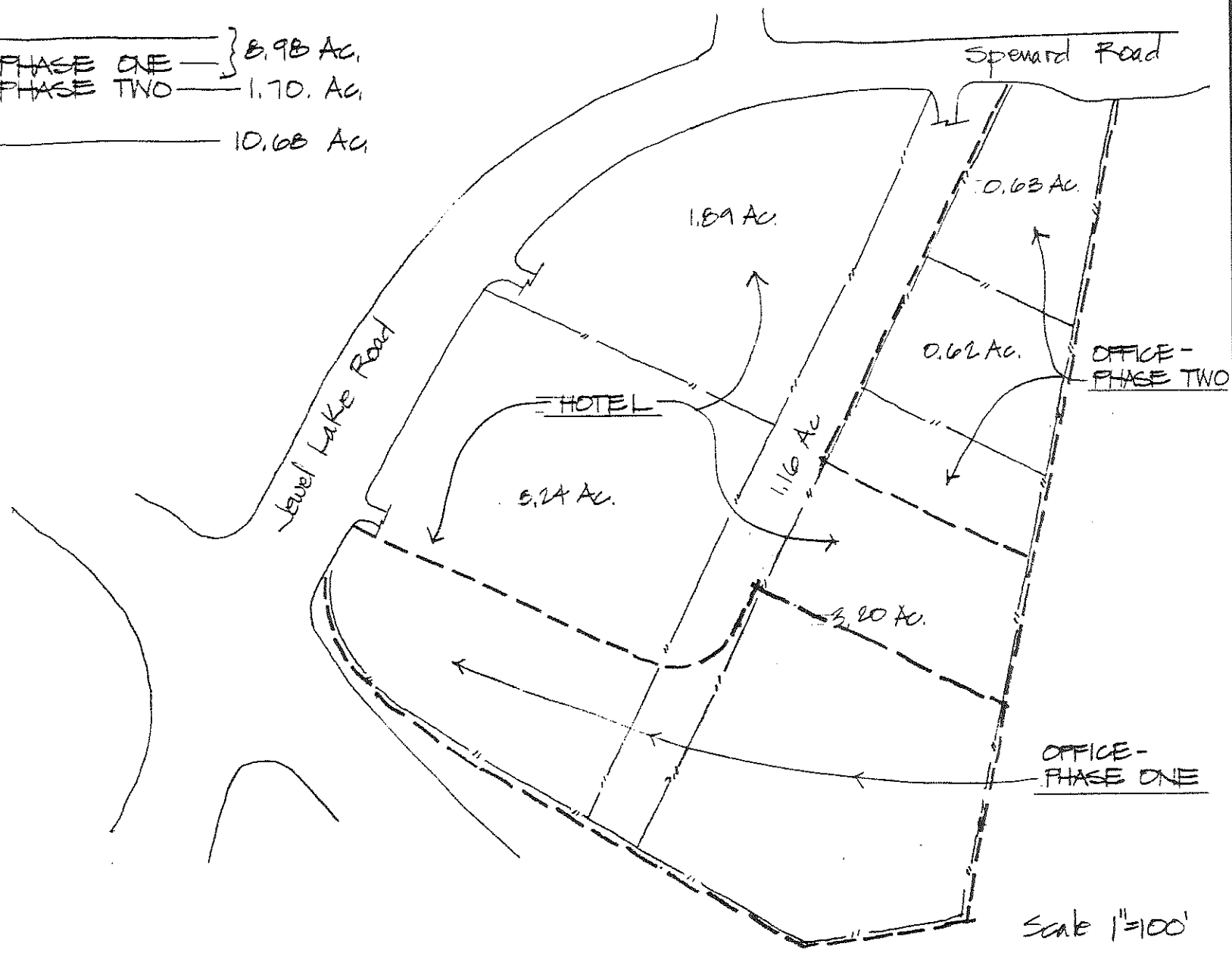
1.  
HOTEL /  
OFFICE  
COMPLEX

**Figure G-3**

Sheet No.	
Project No.	
Drawn:	Date:
Checked:	Working Order:

Scale 1"=100'

HOTEL ————— } 8.98 Ac.  
 OFFICE - PHASE ONE ——— }  
 OFFICE - PHASE TWO ——— } 1.70 Ac.  
 TOTAL ————— 10.68 Ac.



Scale 1"=100'

No.	Date	By	Revision

HOTEL /  
 OFFICE  
 COMPLEX

ACREAGE  
 Figure G-4

Sheet No.	Project No.	Category	Sequence

## PROTOTYPICAL PROJECT NUMBER TWO

Development of a Retail/Float Plane Complex Along Lake Spenard.

### DEVELOPMENT CONCEPT

Development of this site requires cooperation between the public and private sectors. The waterfront is to be maintained for public use, with easy accessibility. Private development should be set back but front the water. Development of the illustrated concept will require acquisition and assembly of nine lots by a private developer and two larger parcels along the water by a public entity. The site plan shows approximately 30,000 square feet of specialty retail space and associated parking at a ratio of one space per 300 square feet of retail.

The concept for this site takes advantage of the float plane activity on Lake Spenard to help reinforce the "Gateway to Alaska" image. The activity and visual interest associated with this Alaskan industry would contribute significantly to the establishment of a unique character for Spenard. A feeling of the Alaskan bush pilot or expedition outfitter should be emphasized.

The site plan shows a minor reconfiguration of the shoreline to provide moorage for transient float planes.

The adjacent private development would be pedestrian-oriented, and retail shops would emphasize the expedition/outfitter image as well as serving the needs of people from outside Anchorage arriving by float plane.

The hotel, currently under construction, on the nearby "Flying Machine" site will add to the vitality and excitement that can be generated on this lakefront site. Such a development will be a major component in establishing an overall identity and image for the district.



## **ECONOMIC ANALYSIS**

The pro forma financial analysis of the second prototype is shown in Table D-2. The 30,000 square foot specialty center could be supported by current demand and would represent 47% of the projected supportable new specialty retail development in Spenard by the year 2000. As shown, the return on cost is 14.8%. This is above the acceptable required rate of 10% to 11%. The project is feasible as shown.

The key to success of the Project is the creation of an attraction, capitalizing on the lakefront location and the float plane activity. This will require accommodation of existing float plane tie downs, provision of transient float plane facilities, and coordination with parks and public amenities in the area.

## TABLE G-5

## PROTOTYPE 2 PROFORMA

G-12

Description of Project: 30,000 sf specialty retail  
 100 parking spaces  
 2.81 acres

## Net Operating Income:

Retail (\$2.00/sf/mo. @ 100% efficiency, NNN lease)	\$ 720,000
--	------------

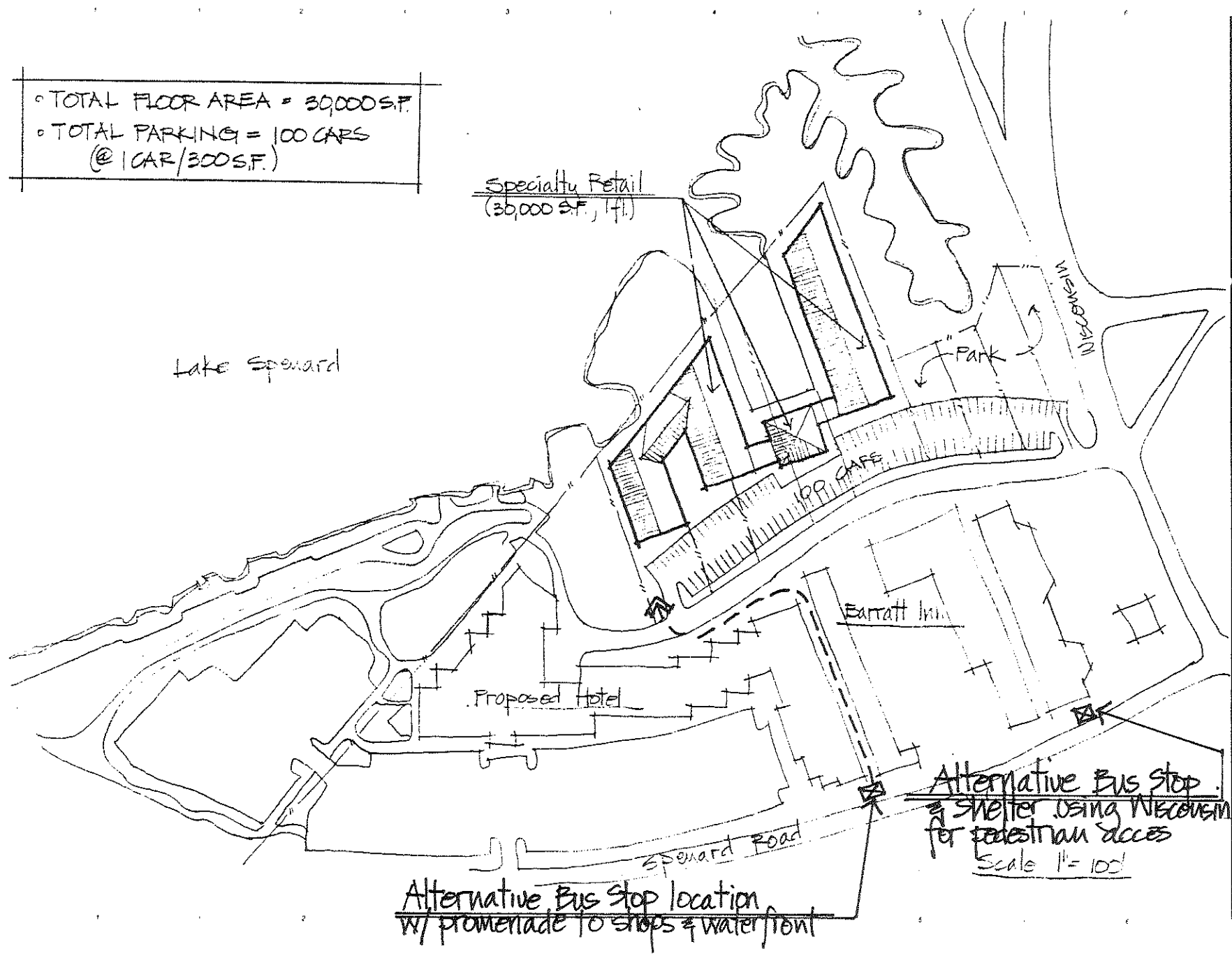
## Development Cost:

Building (\$65/gsf)	1,950,000
Site Development & Parking	100,000
Land Acquisition (2.81 ac @ \$15/sf)	1,836,100
Soft Cost (25% of hard costs, site and land)	<u>971,500</u>
Total Development Cost	<u><u>\$4,857,600</u></u>

Return on Cost:  $\$720,000/\$4,857,600 = 14.8\%$

\*The figures shown here are subject to change as market conditions governing the underlying assumptions continue to change over time.

◦ TOTAL FLOOR AREA = 30,000 S.F.  
 ◦ TOTAL PARKING = 100 CARS  
 (@ 1 CAR/300 S.F.)



No.	Date	By	Revision

20  
**SPECIALITY  
 RETAIL**

**Figure G-6**

Category:	Sequence:
Sheet No.:	
Project No.:	
Drawn:	
Checked:	



## PROTOTYPICAL PROJECT NUMBER THREE

Retail Development at Fish Creek on the South Side of Spenard Road.

### DEVELOPMENT CONCEPT

Redevelopment of this site will require cooperation between a private developer and the public sector. It would require acquisition and assembly of seven individual parcels within the B-3 zone and an additional three parcels currently zoned residential. A rezone of the residential parcels to B-3 will be required. The site plan shows about 30,000 square feet of specialty retail shops with associated parking.

Redevelopment at this site in conjunction with one on the north side of Spenard offers an excellent opportunity to upgrade the Fish Creek corridor. Retail shops are shown fronting on Spenard Road with parking at the rear. Additional retail space opens onto a major central open space which separates pedestrian circulation from vehicular traffic. The possibility of a new pedestrian/bicycle underpass linking the north and south sides of Spenard Road should be explored. Fish Creek, which is partially buried and suffers from water quality problems, should be exposed and its corridor improved to provide a greenbelt pedestrian route. This could become part of a major north/south route connecting Fish Creek, Kiwanis Park and Northwoods Park.

The retail development should be small scale and maintain the Alaska outfitter image. Buildings should be sited adjacent to the street to create a continuous street facade. Pedestrian entries can be located off the street and open space and parking should include landscape screening adjacent to residential uses.

## ECONOMIC ANALYSIS

The pro forma financial analysis of Prototype 3 is shown in Table D-3. A 30,000 square foot specialty center on this site would represent 47% of the projected supportable new specialty retail development in Spenard by the year 2000. As shown, the return on cost of 16.7% exceeds the required rate of 10% to 11%. The project is feasible according to this measure.

The projected financial performance is dependent upon achieving the projected rent levels. These rents will be achieved only if the project is developed in conjunction with the park improvements shown. The developer of this prototype could contribute up to \$1,350,000 (plus associated soft costs) toward those improvements and still achieve an acceptable 12% return on costs.

## PROTOTYPE 3 PROFORMA

Description of Project: 30,000 sf specialty retail  
 117 parking spaces  
 2.17 acres

## Net Operating Income:

Retail (\$2.00/sf/mo. @ 100% efficiency, NNN lease)	\$ 720,000
--	------------

## Development Cost:

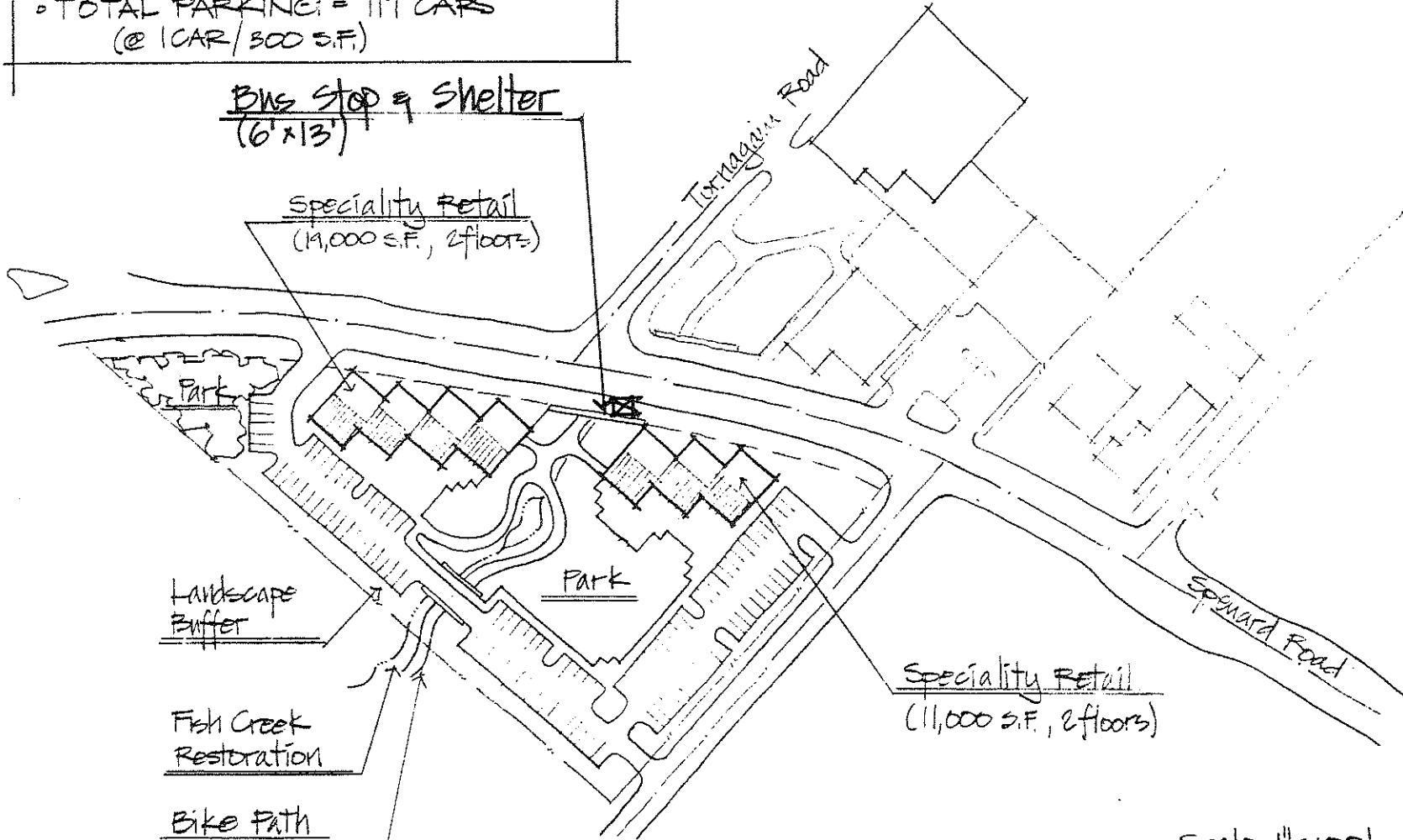
## Hard Cost:

Building (\$65/gsf)	1,950,000
Parking (@ \$725/space)	<u>84,800</u>
Total Hard Cost	2,034,800
Land Acquisition (2.17 ac @ 15/sf)	1,417,900
Soft Cost (25% of Hard Costs, and Land)	<u>863,000</u>
Total Development Cost	<u><u>\$4,314,700</u></u>

Return on Cost:  $\$720,000/\$4,314,700 = 16.7\%$

\*The figures shown here are subject to change as market conditions governing the underlying assumptions continue to change over time.

- TOTAL FLOOR AREA = 30,000 S.F.
- TOTAL PARKING: = 117 CARS (@ 1 CAR/300 S.F.)



No.	Date	By	Revision

**3**  
**SPECIALITY RETAIL**

**Figure G-9**  
 Category Sequence  
 Sheet No.  
 Project No.  
 Drawn: \_\_\_\_\_ Date: \_\_\_\_\_  
 Checked: \_\_\_\_\_ Binding Order: \_\_\_\_\_





## PROTOTYPICAL PROJECT NUMBER FOUR

Fish Creek - North Side of Spenard Road.

### DEVELOPMENT CONCEPT

This site, on the north side of Spenard Road at Fish Creek, consists of three lots totaling about 1-1/2 acres. This project depends heavily on coordination and cooperation between a private developer and the public sector. Approximately 1/2 acre of the site would be reserved for open space development in conjunction with the greenbelt proposed along Fish Creek. The plan shows an 8,000 square foot eating, drinking and entertainment establishment with associated parking on the remainder of the site.

### ECONOMIC ANALYSIS

The pro forma financial analysis of Prototype is shown in Table D-4. An 8,000 square foot specialty retail complex would represent 13% of the projected supportable new specialty development in Spenard by the year 2000. As a stand-alone restaurant, the project would represent a smaller portion of total supportable development for that use. As shown, the return on cost is 14%. The project would be feasible according to this measure.

As with Prototype 3, the success of the project is dependent upon the existence of the surrounding park development. The developer could contribute \$78,000 (plus soft costs) toward those improvements and still achieve an acceptable 12% return on cost.

## PROTOTYPE 4 PROFORMA

Description of Project: 8,000 sf specialty retail  
 43 parking spaces  
 .88 acres

## Net Operating Income:

Retail (\$2.00/sf/mo. @ 100% efficiency, NNN lease)	\$ 192,000
--	------------

## Development Cost:

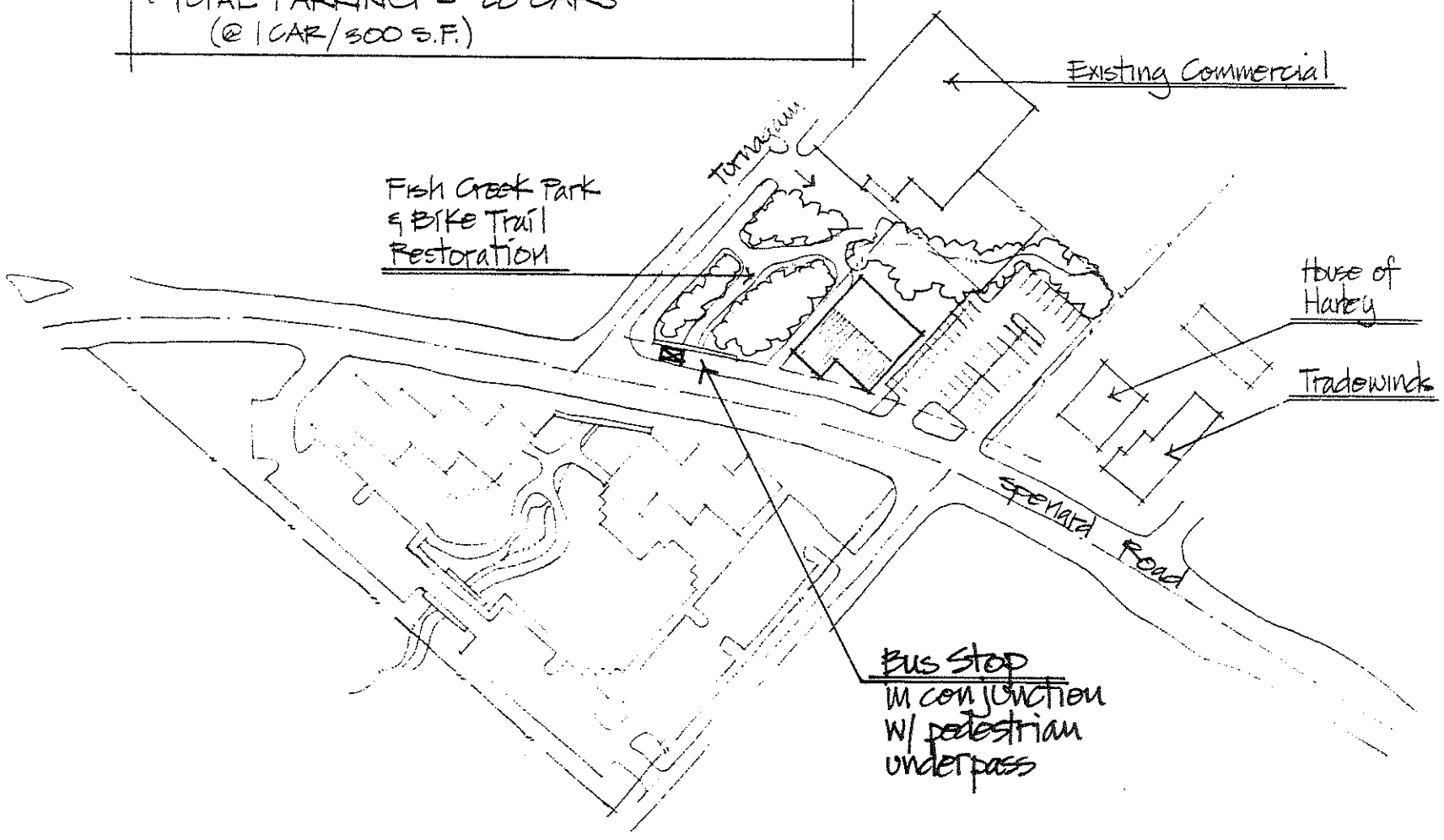
## Hard Cost:

Building (\$65/gsf)	520,000
Parking (@ \$725/stall)	<u>31,200</u>
Total Hard Cost	551,200
Land Acquisition (.88 ac @ 15/sf)	575,000
Soft Cost (25% of Hard Costs, and Land)	<u>281,600</u>
Total Development Cost	<u><u>\$1,407,800</u></u>

Return on Cost:  $\$192,000/\$1,407,800 = 13.6\%$

\*The figures shown here are subject to change as market conditions governing the underlying assumptions continue to change over time.

- TOTAL FLOOR AREA = 8000 S.F. (1 1/2 floors)
- TOTAL PARKING = 28 CARS (@ 1 CAR/300 S.F.)



Scale 1" = 100'

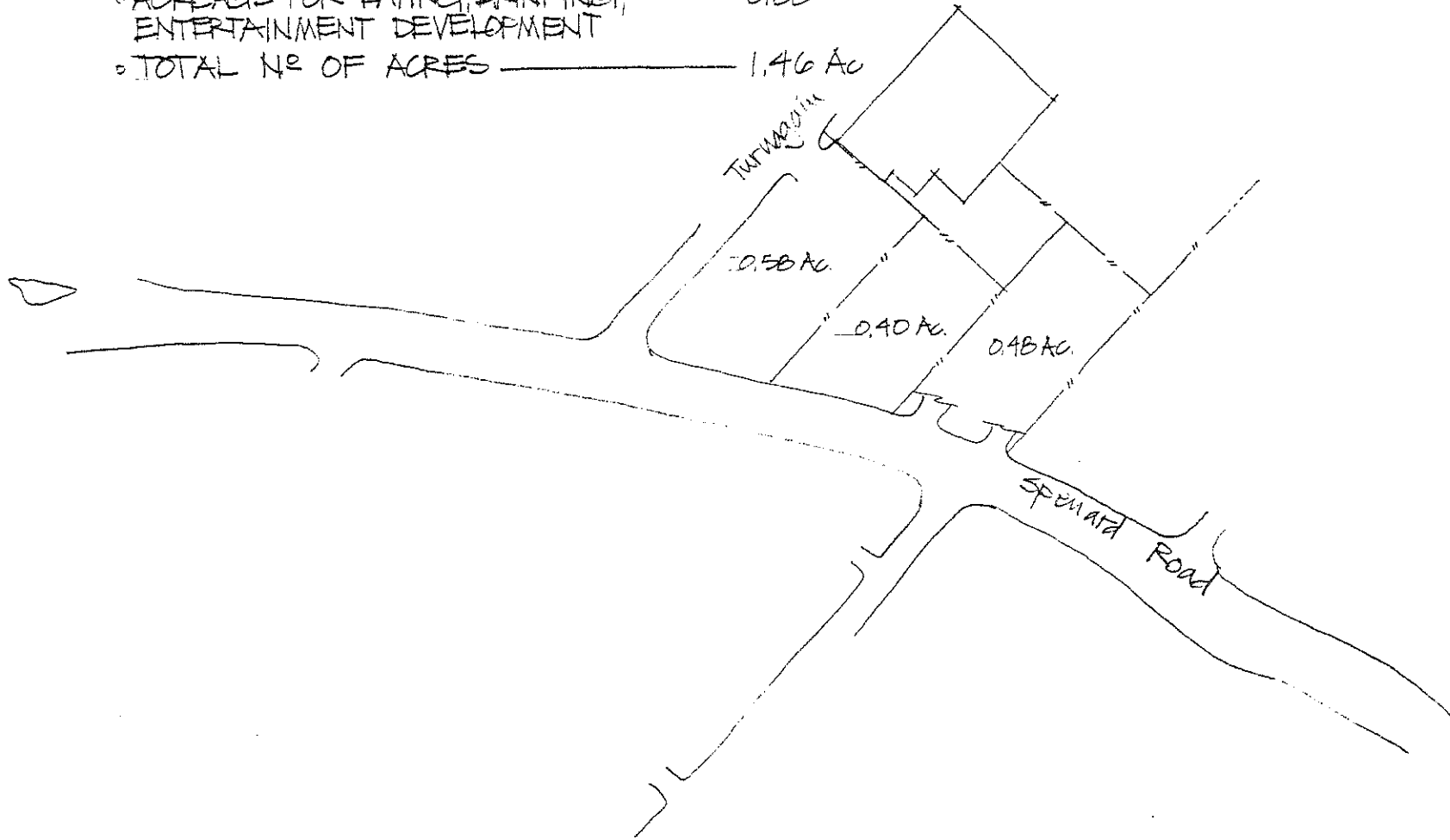
No.	Date	By	Revised

4.  
EATING  
DRINKING &  
ENTERTAINMENT

Figure G-12

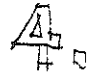
Sheet No.	
Project No.	
Drawn	Date
Checked	By/Date

- ACREAGE FOR PARK ————— 0.58
- ACREAGE FOR EATING, DRINKING, ENTERTAINMENT DEVELOPMENT ————— 0.88
- TOTAL NO OF ACRES ————— 1.46 Ac



Scale 1" = 100'

No.	Date	By	Revised



EATING  
DRINKING &  
ENTERTAINMENT

ACREAGE  
Figure G-13

Sheet No.	Category	Sequence

Project No. \_\_\_\_\_  
Date \_\_\_\_\_  
Checked \_\_\_\_\_  
Drawing Order \_\_\_\_\_

## PROTOTYPICAL PROJECT NUMBER FIVE

Economy Hotel at The Grizzley Trailer Park Site.

### DEVELOPMENT CONCEPT

This site is a little over an acre and a half in size and is currently under one ownership. Slightly more than half of the parcel is within a residential zone. A rezone to B-3 will be required for redevelopment as illustrated. The plan shows a two-story motel with 56 rooms and parking at the rate of one car per room.

This proposal is consistent with the intent to encourage a mixture of redevelopment projects in the central portion of the district. The location is convenient to amenities such as restaurants and entertainment establishments. Because the site is narrow, careful siting, sensitive design, and landscape screening will be required to assure that adjacent residential areas are not adversely affected.

### ECONOMIC ANALYSIS

The pro forma financial analysis of Prototype 5 is shown in Table D-5. A 56-room hotel would represent 32% of the projected supportable new development of economy hotels in Spenard by the year 2000. As shown, the estimated return on cost is 9.0%. This rate is less than the required rate of 10.5% to 12.0%.

The use of tax exempt financing through the Alaska Industrial Development Authority would reduce the required capitalization rate to a range of 8.5% to 10%. The project would be marginally feasible in this case.

The feasibility of the project would also be enhanced if the cost of land were \$12 per square foot rather than \$15. Generally, economy lodging facilities will be feasible only on sites with such land costs.

## PROTOTYPE 5 PROFORMA

Description of Project: 56 room economy hotel  
56 parking spaces  
1.58 acres

## Net Operating Income:

## Income:

Room revenue (\$50.25/room @ 69% occupied)	\$ 708,700
Other revenue (2% of total revenue)	<u>14,500</u>
Total Revenue	723,200
Expenses (50% of revenue)	<u>361,600</u>
Net Operating Income	361,600

## Development Cost:

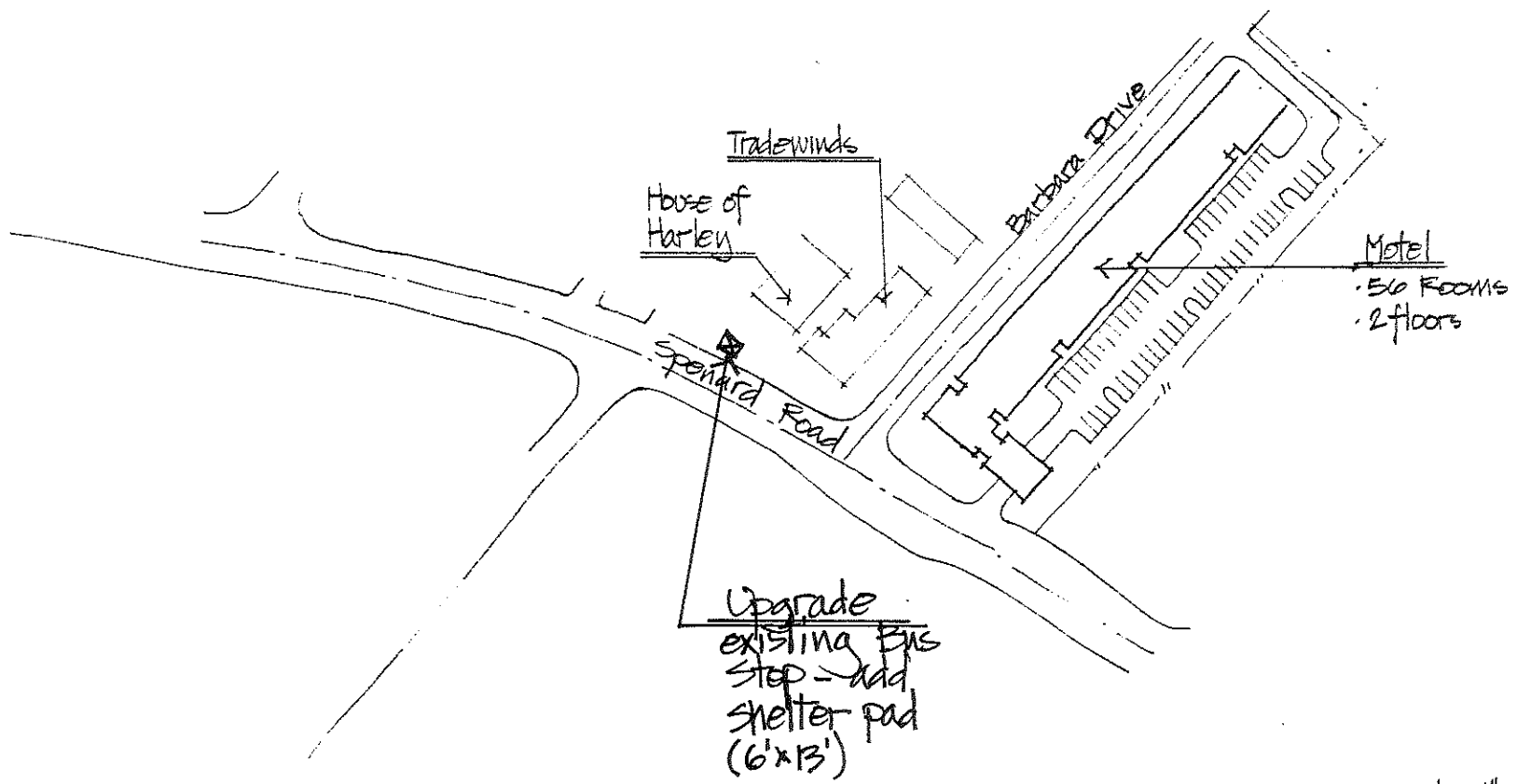
## Hard Cost:

Building (\$30,000/room)	1,680,000
FF&E (\$8,300/rm)	464,800
Parking (\$725/space)	<u>40,600</u>
Total Hard Cost	2,185,400
Land Acquisition (1.58 ac @ 15/sf)	1,032,400
Soft Cost (25% of Hard Costs plus Land)	<u>804,500</u>
Total Development Cost	<u><u>\$4,022,300</u></u>

Return on Cost:  $\$361,600/\$4,022,300 = 9.0\%$

\*The figures shown here are subject to change as market conditions governing the underlying assumptions continue to change over time.

- |  |
|--|
| <ul style="list-style-type: none"> <li>• 56 ROOMS ON 2 FLOORS</li> <li>• 56 CARS @ 1 CAR/ROOM</li> </ul> |
|--|



Motel  
 • 56 ROOMS  
 • 2 floors

Upgrade  
 existing bus  
 stop - add  
 shelter pad  
 (6'x13')

Scale 1"=100'

No.	Date	By	Revision

5.  
ECONOMY  
HOTEL

Figure G-15

Sheet No.	Project No.	Date	Category	Sequence





## PROTOTYPICAL PROJECT NUMBER SIX

Professional office and retail in conjunction with public open space development at the Anchorage Glass site.

### DEVELOPMENT CONCEPT

The project which is suggested adjacent to the Anchorage Glass property can be broken into two parts: convenience retail east of Taft Drive, and a neighborhood/professional office complex on the west. The east development requires the acquisition and assembly of three individual lots. The plan suggests that an existing retail store at the corner be retained and improved. An additional 6,000 square feet of retail would be developed on an adjacent site, with parking to the rear and landscape buffering adjacent to the residential area. Buildings should front the roadway to promote facade continuity along Spenard Road. The entire site is within the existing B-3 zone.

The project delineated west of Anchorage Glass involves acquiring and assembling seven lots and vacating a small portion of Cleveland Ave., and half of an alley. The site would accommodate approximately 21,000 square feet of Neighborhood/Professional office space with parking for 72 cars.

This project depends heavily on public acquisition and improvement of two triangular land parcels under the supplemental land acquisition program discussed in the "Public Sector Improvements" section of this report. The Anchorage Glass site in particular is considered important for public development because of its high visibility and prominent location. Properly developed it could contribute significantly to the overall image of the Spenard Road Business District. This site is ideal location for a public focal point or sculpture.

## ECONOMIC ANALYSIS

The pro forma financial analysis of Prototype 6 is shown in Table D-6. The 21,000 square foot professional office building would represent 83% of the projected supportable new development of such space in Spenard through the year 2000. The 6,000 square foot retail building would represent 13.3% of total projected supportable new convenience retail development in Spenard by the year 2000. As shown, the estimated return on cost of 10.8% is within the range of overall capitalization rates of 9.5% to 11% for office and 10-11% for retail development.

Success of this prototype is dependent upon the assembly of a site of adequate size with good visibility to the road and attractive surroundings. This will require that the public amenities described previously are developed in this area.

## PROTOTYPE 6 PROFORMA

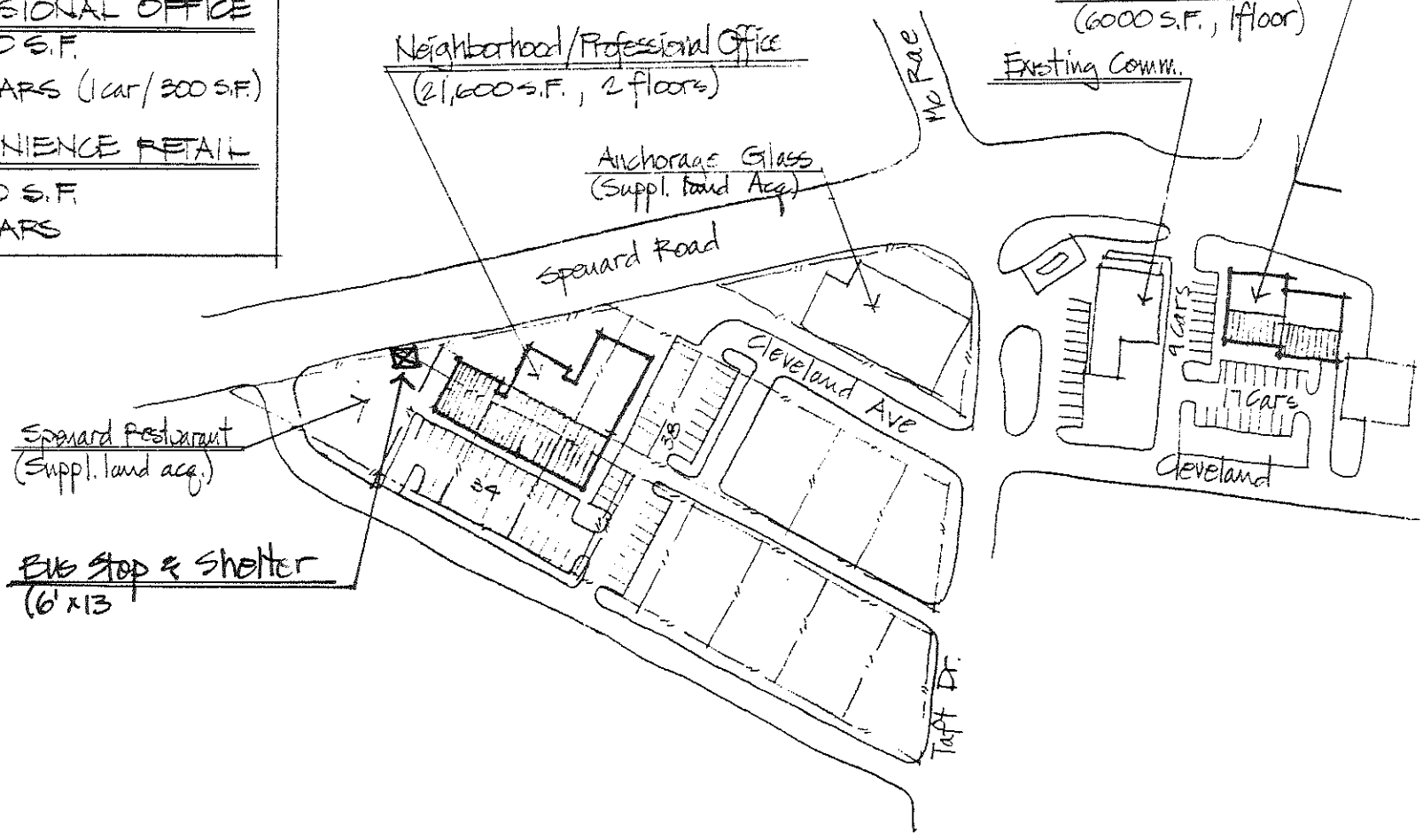
Description of Project:	21,600 sf professional office 6,000 sf retail 98 parking spaces 1.88 acres	
Net Operating Income:		
Income:		
Professional office (\$2.00/sf/mo @ 90% efficiency @ 95% occupancy)		\$ 443,200
Retail (\$2.00/sf, 100% efficiency, NNN lease)		<u>144,000</u>
Total Income		587,200
Expenses:		
Professional Office (25% of income)		<u>110,800</u>
Net Operating Income		476,400
Development Costs:		
Hard Cost:		
Building (\$65/gsf)		1,794,000
Tenant improvements (\$20/sf NRA office)		388,800
Parking (\$725/space)		<u>71,100</u>
Total Hard Cost		2,253,900
Land Acquisition (1.88 ac @ 15/sf)		1,228,400
Soft Cost (25% of Hard Costs and Land)		<u>870,600</u>
Total Development Cost		<u><u>\$4,352,900</u></u>

Return on Cost:  $\$476,400/\$4,352,900 = 10.9\%$

\*The figures shown here are subject to change as market conditions governing the underlying assumptions continue to change over time.

NEIGHBORHOOD/  
 PROFESSIONAL OFFICE  
 • 21,600 S.F.  
 • 72 CARS (1 car/300 S.F.)

CONVENIENCE RETAIL  
 • 6000 S.F.  
 • 26 CARS



CONVENIENCE RETAIL  
 (6000 S.F., 1 floor)

Existing Comm.

Speward Restaurant  
 (Suppl. land acq.)

BUS STOP & Shelter  
 (6' x 13')

Scale 1"=100'

No.	Date	By	Revised

6c  
N/P OFFICE,  
 CONVENIENCE  
 RETAIL

**Figure G-18**

Sheet No.	Category	Section
Project No.		
Drawn	Date	11.5.05
Checked	Issued Date	



## PROTOTYPICAL PROJECT NUMBER SEVEN

Redevelopment Between Spenard and Cleveland.

### DEVELOPMENT CONCEPT

The redevelopment shown would necessitate a rezone of the rear portion of the site between the alley and Cleveland Avenue. The total redevelopment can be accomplished in three phases. Phases one and two each require the acquisition and assembly of eight lots. Phase three would involve six lots. The total development would be 76,500 square feet of convenience and auto-oriented retail and associated parking.

If redevelopment were phased, the alley access to the existing residences would need to be maintained. Commercial buildings are recommended to front Spenard with parking at the rear of the development. Appropriate landscape screening would be needed to alleviate the visual impact to adjacent residences across Cleveland Ave.

### ECONOMIC ANALYSIS

The pro forma financial analysis for prototype seven is shown in Table D-7. A 76,500 square foot retail center would represent 79% of the projected supportable new development of convenience retail and auto-oriented retail development in Spenard by the year 2000. As shown, the return on cost of 19.7% exceeds the required rate of 10% to 11% for retail development. The higher estimated return indicates that the developer could spend more than \$15 per square foot to assemble the land.

## PROTOTYPE 7 PROFORMA

Description of Project: 76,500 retail  
80 parking spaces  
3.70 acres

## Net Operating Income:

Retail (\$2.00/sf, 100% efficiency, NNN lease)	\$1,836,000
--	-------------

## Development Cost:

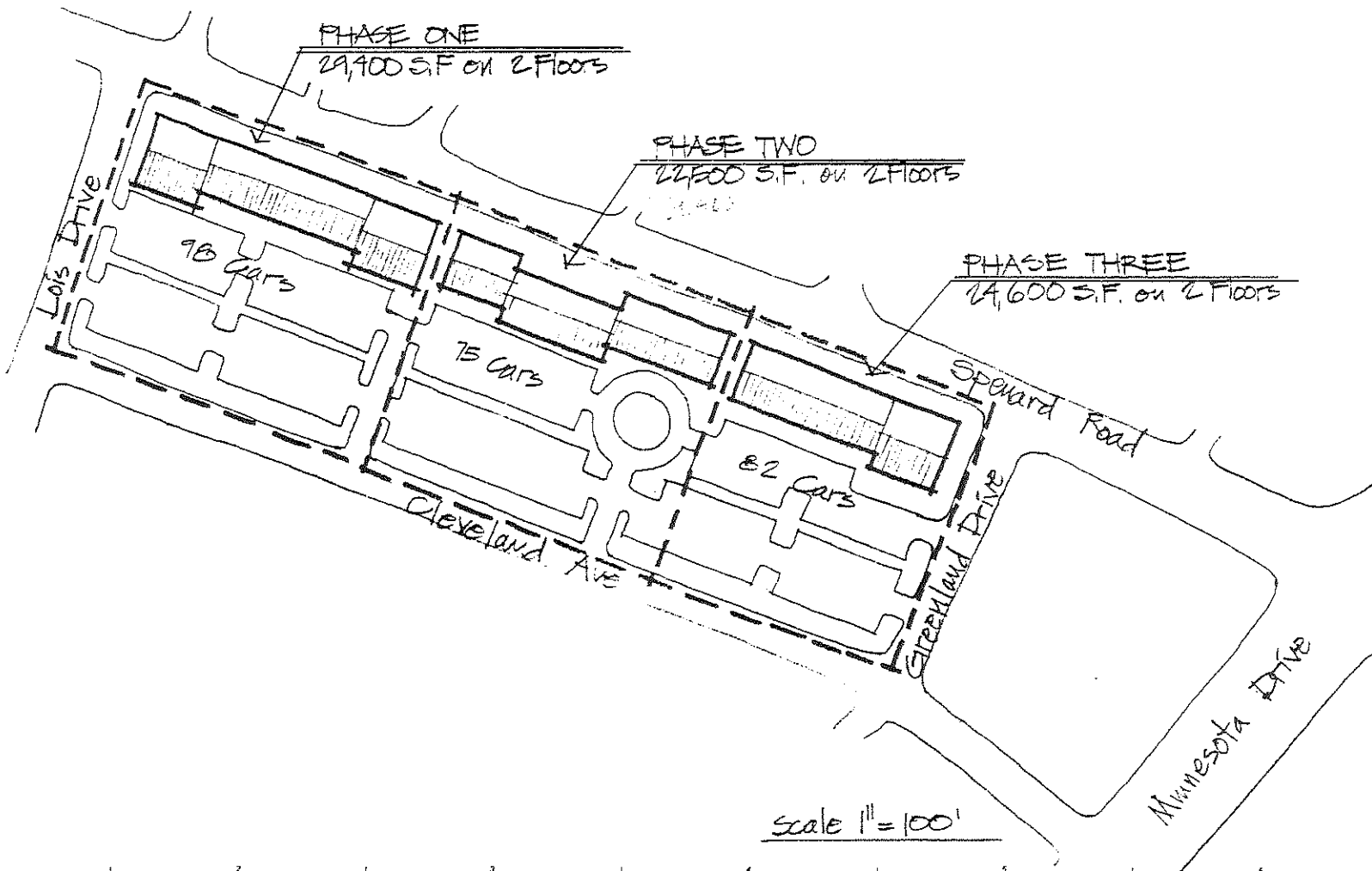
## Hard Cost:

Building (\$65/gsf)	4,972,500
Parking (\$725/space)	<u>58,000</u>
Total Hard Cost	5,030,500
Land Acquisition (3.70 acres @ \$15/sf)	2,417,600
Soft Cost (25% of Hard Costs and Land)	<u>1,862,000</u>
Total Development Cost	<u><u>\$9,310,100</u></u>

Return on Cost:  $\$1,836,000/\$9,310,100 = 19.7\%$

\*The figures shown here are subject to change as market conditions governing the underlying assumptions continue to change over time.





No.	Date	By	Revision

7  
 CONVENIENCE  
 RETAIL & AUTO  
 ORIENTED

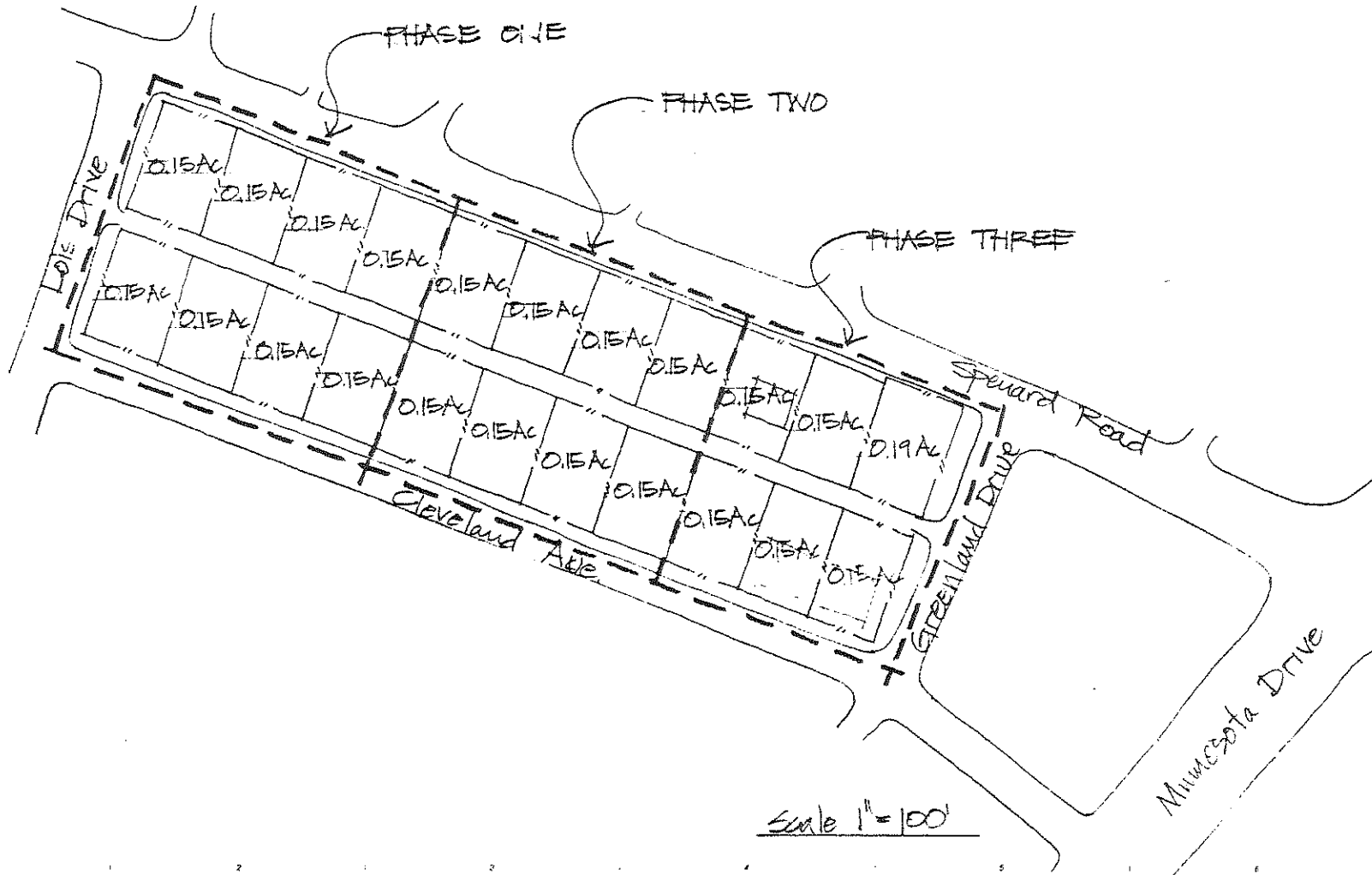
Figure G-21

Category	Sequence
Sheet No.	
Project No.	
Drawn	Date
Checked	Binding Order

◦ ACREAGE OF PHASE ONE ————— 1.20  
 ◦ ACREAGE OF PHASE TWO ————— 1.20  
 ◦ ACREAGE OF PHASE THREE ————— 0.94  
 ◦ TOTAL ACREAGE ————— 3.34 AC.

TRA

Architecture  
 Engineering  
 Planning  
 Interiors  
 215 Columbia  
 Seattle WA 98104  
 (206) 682-1133



No.	Date	By	Revision

7.

**CONVENIENCE  
RETAIL & AUTO  
ORIENTED**

**ACREAGE  
Figure G-22**

Sheet No.	Project No.	Category	Sequence

Drawn: \_\_\_\_\_  
 Checked: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Binding Date: \_\_\_\_\_

Submitted by: Chairman of the Assembly  
 At the Request of the Mayor  
 Prepared by: Department of Community  
 Planning

For reading: June 17, 1986

ANCHORAGE, ALASKA  
 AR NO. 86-121

Date: <u>6-17-86</u>
----------------------

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE ENDORSING THE  
 SPENARD COMMERCIAL DISTRICT DEVELOPMENT STRATEGY.

WHEREAS, the Spenard Road Design Review Committee, a citizen committee appointed by Mayor Knowles, guided the formulation of a five-part action strategy for the comprehensive economic revitalization of the Spenard commercial district, and

WHEREAS, the Committee, including representatives of Spenard residents and businesses, the Planning and Zoning Commission and the Urban Design Commission, formulated the strategy through an extensive series of well-attended public workshops, and

WHEREAS, this effort was preceded by three major complementary efforts: (1) a comprehensive business and property inventory, an area marketing analysis, and an evaluation of key properties to assess Spenard's commercial development potential; (2) formulation of a desired development direction for Spenard; and (3) a recommended conceptual design for improvements to Spenard Road as a catalyst for the total revitalization effort, and

WHEREAS, the Planning and Zoning Commission incorporated into the document complementary guidelines prepared by the Transit Department to accommodate transit improvements, and

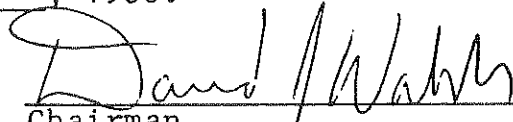
WHEREAS, the Planning and Zoning Commission, Urban Design Commission, the Parks and Recreation Commission, and the Economic Development Commission recommend endorsement of this strategy.

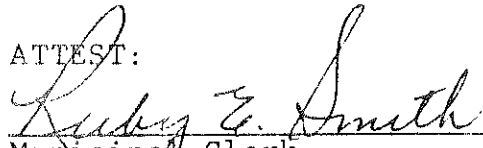
NOW, THEREFORE, BE IT RESOLVED that the Anchorage Assembly hereby endorses the Spenard Commercial District Development Strategy,

BE IT FURTHER RESOLVED that the Anchorage Assembly encourages a continued public/private partnership effort to implement this action plan to revitalize the Spenard commercial district.

Assembly Resolution  
Spenard Commercial District  
Page 2

PASSED AND APPROVED by the Anchorage Assembly this  
17th day of June, 1986.

  
\_\_\_\_\_  
Chairman

ATTEST:  
  
\_\_\_\_\_  
Municipal Clerk

kc5/car1



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. \_\_\_\_\_

Meeting Date:

**From:** Mayor

**Subject:** Spenard Commercial District Development Strategy

Before the Assembly is a Resolution adopting the Spenard Commercial District Development Strategy as a guide for the revitalization of one of Anchorage's oldest commercial districts. The strategy is a five-part action plan for revitalizing the Spenard commercial district in conjunction with planned improvements to Spenard Road. The executive summary of the document, following the table of contents, provides a short synopsis of the strategy; the introduction explains its purpose and history.

The development of this strategy was made possible by a professional services contract with TRA/Farr, funded through the Capital Projects Office as part of the Spenard Road improvement effort. The project was managed by the Community Planning Department.

The Spenard Road Design Review Committee, appointed by Mayor Knowles, guided the formulation of the strategy through a series of worksessions and well-attended public meetings. The committee includes area residents and business owners, and representatives of the Urban Design Commission and the Planning and Zoning Commission. The committee's priorities for adopting and implementing the strategy are stated in a letter to Mayor Knowles from Jessie Dodson, Chair (Attachment 2).

Public participation in both the commercial district development strategy and the design of improvements to Spenard Road is being coordinated through the Spenard Road Design Review Committee. The introduction to this document explains the relationship between the two efforts. The engineering designs for improvements to Spenard Road are being developed by the Capital Projects Office through a separate professional services contract and public review effort.

Assembly Memorandum  
Spenard Commercial District  
Page 2


The Planning and Zoning Commission, Urban Design Commission, Parks and Recreation Commission, and Economic Development Commission have granted the strategy conceptual approval. The attached comments provided by the Transit Department (Attachment 3), and recommended for adoption by the Planning and Zoning Commission, will be incorporated into the final document upon Assembly adoption of the proposed resolution.

The Spenard Commercial District Development Strategy is an ambitious and innovative approach for redeveloping Spenard's commercial district. Its success will depend on a strong cooperative effort of government, residents and businesses. The Administration recommends adoption of the Resolution as a strong statement of public policy to guide Spenard's revitalization.

Prepared by:

  
\_\_\_\_\_  
Bill Luria  
Director of Community Planning

Respectfully submitted,

  
\_\_\_\_\_  
Tony Knowles  
Mayor

Attachments

kc5/cam1

MUNICIPALITY OF ANCHORAGE  
PLANNING AND ZONING COMMISSION RESOLUTION NO. 86-030

A RESOLUTION RECOMMENDING ADOPTION OF THE SPENARD COMMERCIAL  
DISTRICT DEVELOPMENT STRATEGY.

---

WHEREAS, the Spenard Road Design Review Committee, a citizen committee appointed by Mayor Knowles, guided the formulation of a five-part action strategy for the comprehensive economic revitalization of the Spenard commercial district, and

WHEREAS, the Committee, including representatives of Spenard residents and businesses, the Planning and Zoning Commission and the Urban Design Commission, formulated the strategy through an extensive series of well-attended public workshops, and

WHEREAS, this effort was preceded by three major complementary efforts: (1) a comprehensive business and property inventory, an area marketing analysis, and an evaluation of key properties to assess Spenard's commercial development potential; (2) formulation of a desired development direction for Spenard; and (3) a recommended conceptual design for improvements to Spenard Road as a catalyst for the total revitalization effort, and

WHEREAS, the Urban Design Commission, the Parks and Recreation Commission, and the Economic Development Commission have each reviewed and recommended adoption of this strategy, and

WHEREAS, the Transit Department, in reviewing the strategy recommended complementary guidelines to accommodate transit improvements, and

WHEREAS, the Spenard Commercial District Development Strategy is a guide for future decisions affecting land use regulation and capital improvements, and

WHEREAS, administrative and financing methods set out in the strategy to effect revitalization of the Spenard area, including tax increment financing, will be further researched and considered through normal public review processes prior to implementation, and

WHEREAS, adoption of the strategy in concept does not preempt the normal public review processes for zoning changes, per Title 21, or other recommended ordinance amendments, and

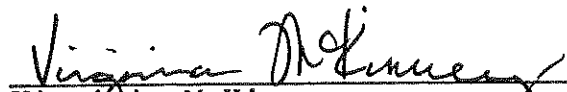
WHEREAS, the recommended 3/5 M conceptual road design is an integral part of the strategy.

Planning and Zoning Commission  
Resolution No. 86-030  
Page 2

NOW, THEREFORE, BE IT RESOLVED, by the Municipal Planning and Zoning Commission that the Spenard Commercial District Development Strategy and the 3/5 M conceptual design for improvements to Spenard Road be adopted subject to incorporation of the recommendations of the Municipal Transit Department.

PASSED AND APPROVED by the Municipal Planning and Zoning Commission this 24th day of March, 1986.

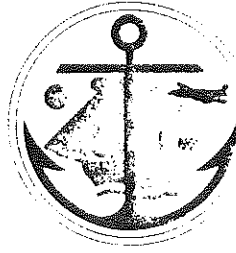
  
Bill Luria  
Secretary

  
Virginia McKinney  
Chair

kc5/cr1



# Municipality of Anchorage



POUCH 6-650  
ANCHORAGE, ALASKA 99508-6650  
(907) 264-4111  
TONY KNOWLES,  
MAYOR

DEPARTMENT OF PLANNING

## ANCHORAGE ECONOMIC DEVELOPMENT COMMISSION

March 24, 1986

Planning and Zoning Commission  
Municipality of Anchorage  
Community Planning Department  
P.O. Box 196650  
Anchorage, Alaska 99519-6650

Dear Planning and Zoning Commissioners:

The Community Planning Department and Anchorage Neighborhood Housing Services presented the Spenard Commercial District Development Strategy Review Draft to the Anchorage Economic Development Commission March 12, 1986. Please accept this letter as public testimony regarding this Commission's thoughts of the general strategy.

The Anchorage Economic Development Commission generally supports the concept of incorporating improvements of Spenard Road into a strategy for aiding the revitalization of the Spenard Road Strip Commercial District. The expansion of the Commercial District to allow specific types of business development oriented to Spenard Road and to provide adequate space and buffers between commercial uses and the residential neighborhood are all consistent with the Anchorage 5-Year Comprehensive Economic Development Strategy (CEDS). The CEDS was designed to mitigate any possible impact on the economy caused by declining state revenues associated with declining oil production on state lands. The CEDS lays out specific goals, objectives, and action strategies the community of Anchorage can implement for economic diversification. This Spenard strategy is consistent with the intent of the CEDS, as well as specific action strategies.

Planning and Zoning Commission  
March 24, 1986  
Page 2

Secondly, the Anchorage Economic Development Commission supports the general development of the Spenard strategy public sector improvement strategy. Development of public infrastructure amenities will help to improve the conceptual design of Spenard Road and improve the quality of life of the neighborhood. This, too, is consistent with the CEDS. Quality of life is a subjective term. In this case, reference is made to those aspects of public infrastructure, public services and the environment which make Anchorage a good place to work and do business. The Anchorage quality of life may be Anchorage's greatest comparative advantage, and improvements to it are a necessary component of an economic development program. Past growth has shown the importance of quality of life to Anchorage's economic growth. Even though Anchorage contains no major resources, the community has grown in response to resource development elsewhere in Alaska. This growth occurred because companies chose to place their headquarters' functions here and the workers chose to live in Anchorage. The choice for Anchorage was based upon our quality of life. The public sector strategy of the Spenard strategy will help to improve the quality of life along Spenard Road.

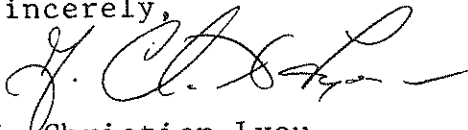
Thirdly, the Anchorage Economic Development Commission supports the general private sector improvement strategy. This is intended to improve the interfacing between commercial and residential activities. This strategy designates specific steps the private sector can develop and implement. The concept of having delineated roles for the public sector and the private sector is also consistent with the CEDS. The public sector provides the framework in which the private sector decisions are made. The two sectors must work as partners in this implementation in order to best implement their separate tasks. Economic growth and development in Anchorage are largely the province of the private sector. Everyone benefits through economic development -- government directly through a larger tax base and the public through reduced cost of living, more opportunities, and less uncertainty about the future. Although the benefits are not received proportionally by everyone, everyone does receive some benefits from economic development projects such as redevelopment of the neighborhood business strip.

Overall, the Anchorage Economic Development Commission supports the objectives of rebuilding the neighborhood business center. As means to that end, the Anchorage Economic Development Commission supports the concept of a public-private partnership for implementation of this Spenard Commercial District Development Strategy. Any redevelopment authority, as discussed in the administrative strategy, should be developed at an Anchorage-wide level. It could then target Spenard as a pilot

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project, but have the capabilities to assist, and carry with it consistency in thought and policy development to, any neighborhood that may need assistance. The administrative strategy section should be amended to allow any redevelopment authority to be area-wide, and any financing schemes (either tax increment financing or revolving loan funds) to be conducted on an area-wide basis with perhaps targeting of special neighborhoods based upon specific distress criteria.

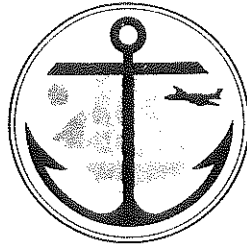
Sincerely,



J. Christian Lyou  
Chairman  
Anchorage Economic Development Commission

jy9/b19

# Municipality of Anchorage



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TONY KNOWLES,  
MAYOR

DEPARTMENT OF PLANNING

SPENARD ROAD DESIGN REVIEW COMMITTEE  
Jessie Dodson, Chair

RECEIVED  
MAY 11 1986  
MAYOR'S OFFICE

March 7, 1986

Tony Knowles, Mayor  
Municipality of Anchorage

Dear Mayor Knowles:

As you know, the Spenard Road Design Review Committee has been working on a redevelopment plan for Spenard along with the Spenard Road Design, which we presented to you on November 25, 1985.

Working with Spenard businesses and residents as well as with Anchorage Neighborhood Housing Services, Community Planning, Capital Projects, and a team of consultants, we have developed the Commercial District Development Strategy for Spenard Road. Your committee has put a lot of time, effort, and shared experience into this plan. We look forward to its implementation.

Because we do not want this plan to "sit on a shelf," we are making the following recommendations for implementing it. We feel that these steps are important, and should have priority for initiating action that will help make the plan a reality.

1. The plan should be adopted by the Planning and Zoning Commission and the Municipal Assembly.
2. Immediate steps should be taken to establish the tax increment financing (TIF) district so that available funds, based on development of the district, can be allocated for public improvements for public/private projects that will benefit the community. In the absence of a development authority, the TIF district should be administered by the Municipality, but with the direct involvement of an advisory body from Spenard.

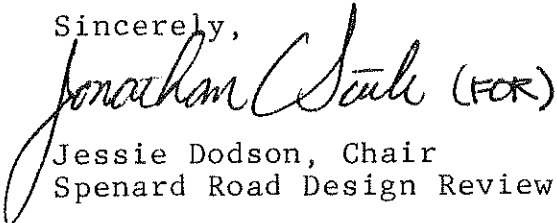
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3. One of the most promising and immediate strategy steps is the ANHS Neighborhood Business District Loan Program. We feel that the Administration should support this loan fund, which will be available to other parts of the community as well as to Spenard.
4. The Spenard Road Design Review Committee, in concert with the Municipality, must continue to work for funding of the Spenard Road Project.
5. We have recommended a development authority, but feel that this is something that needs very careful discussion and consideration by the whole community. Therefore, for timing reasons, we should move forward with the implementation of the TIF and other portions of the strategy.
6. We are aware that other funds from sources such as Water and Wastewater Utility Management and Parks and Recreation are available for Spenard. We suggest that they be coordinated with this plan.

These are the steps and the strategy components that must be worked on immediately so that redevelopment can begin as soon as the business and investment communities know with some certainty the scope of the roadway project.

We have had great cooperation from Community Planning, Anchorage Neighborhood Housing Services, Capital Projects, and the consultants on this unique project. We feel that the community participation on this project has been an innovation that your administration can be proud of--and which should form a basis for projects in other neighborhoods.

Sincerely,

 (FOR)

Jessie Dodson, Chair  
Spenard Road Design Review Committee

