

# Community Park Subdivision • Anchorage, Alaska





## Today - First Steps Toward a Master Plan

- Examine Community Park's physical opportunities and burdens.
- Highlight Community Park's stakeholder interests and needs.
- Compare current zoning and Municipality of Anchorage proposed changes.
- Understand some current and future costs.
- Identify some potential revenue sources and development.
- Review Next steps.

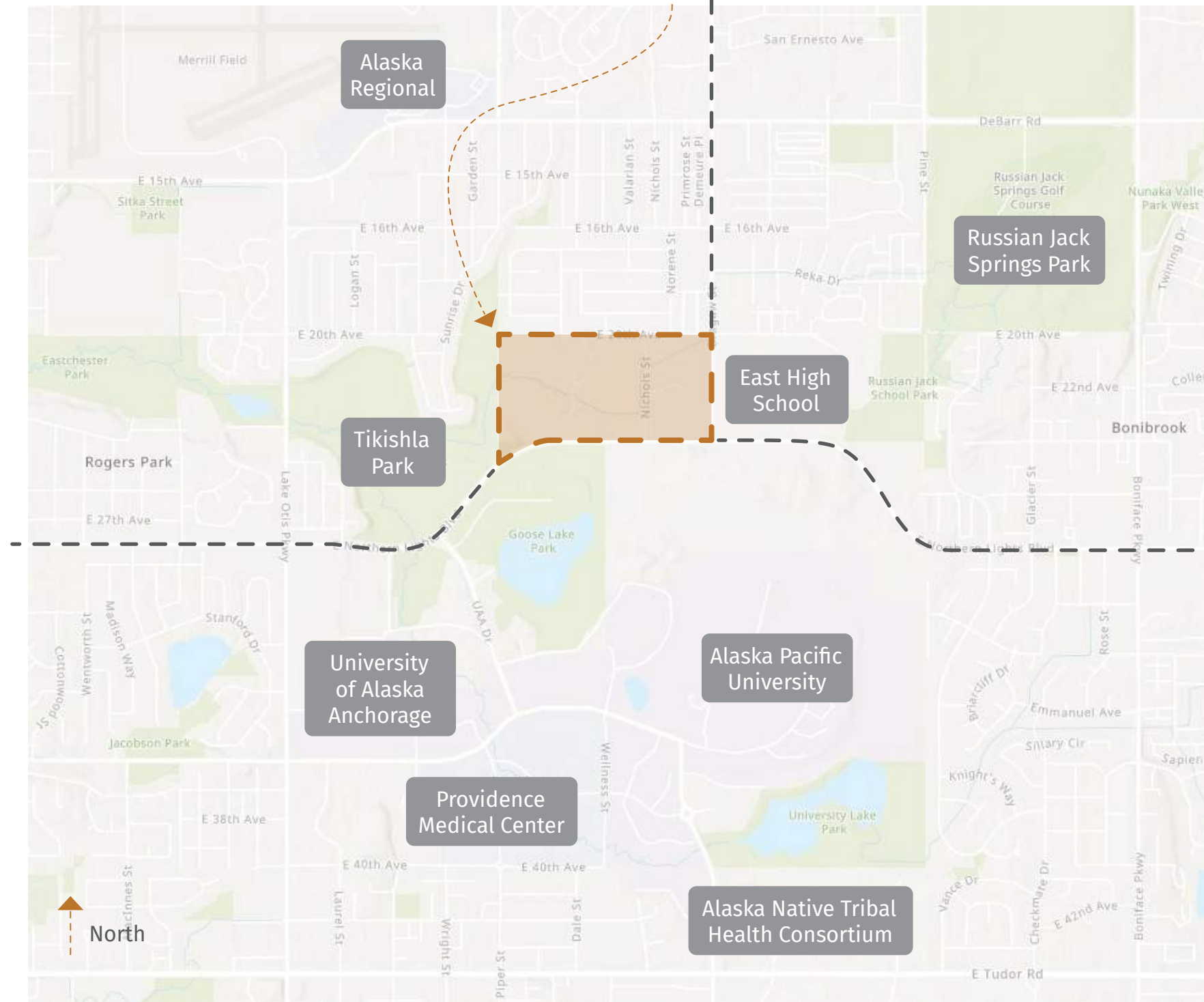
## What is a Master Plan... for Community Park?

- Analyze and record AMHTA, stakeholder and Community Input.
- Record opportunities burdens, assets and liabilities.
- Assess the feasibility of development opportunities.
- Prepare expectations for growth and development.
- Create an image or vision of the future for Community Park.
- Establish expectations for the Trust and Community Park stakeholders.

## Community Park

## Location

Bragaw Street



3,078,961 SF (70.68 acres) of Trust land in middle of Anchorage, immediately North of the UMED district.

Northern Lights Boulevard



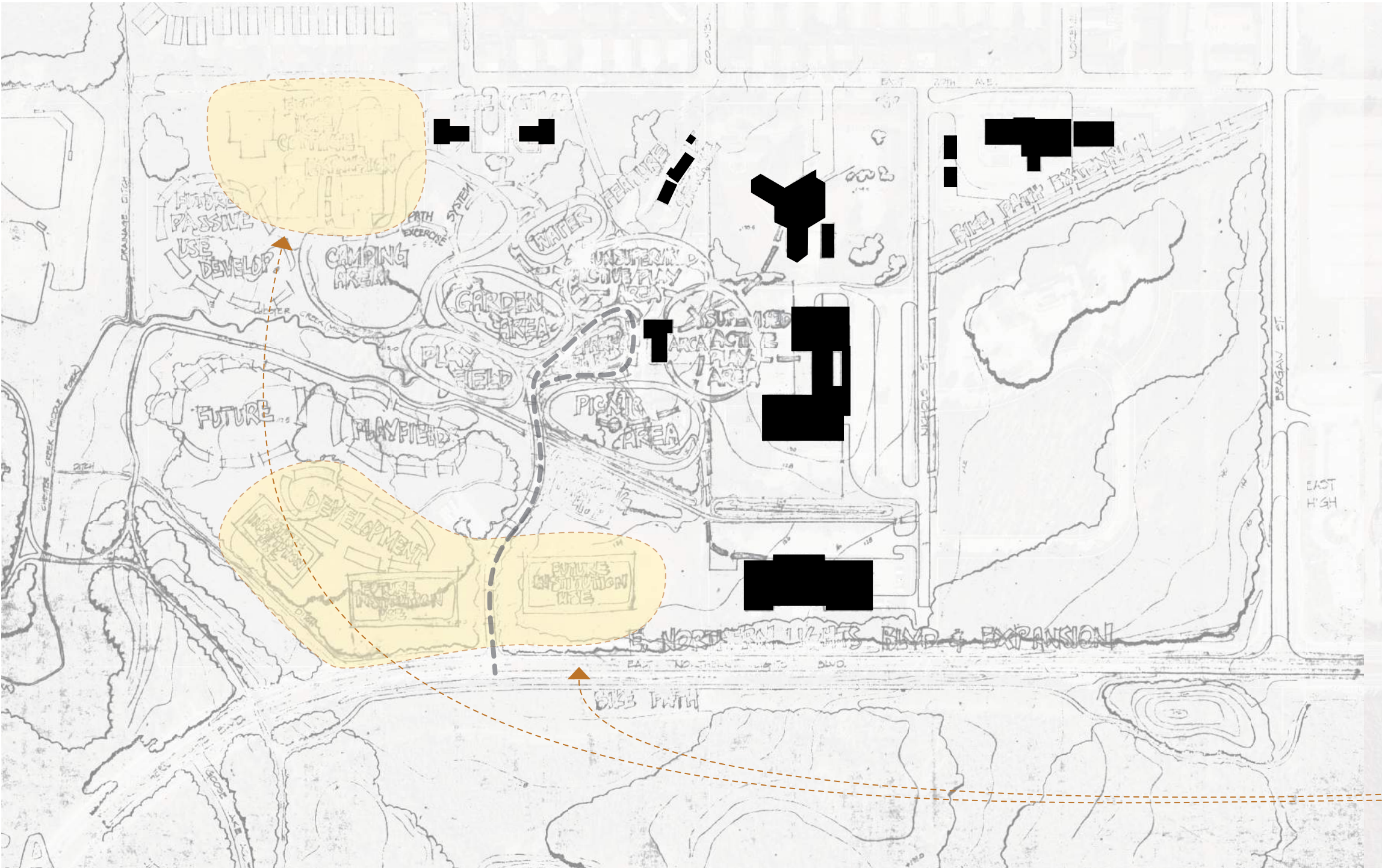


## Community Park History

# 50+ Years of Beneficiary Serving Organizations

# 1981 ARCA Park

Outdoor recreational  
opportunities for a  
community and  
Trust beneficiaries.



## 1981 “future” development sites



## Six Beneficiary Organizations + the Trust Authority

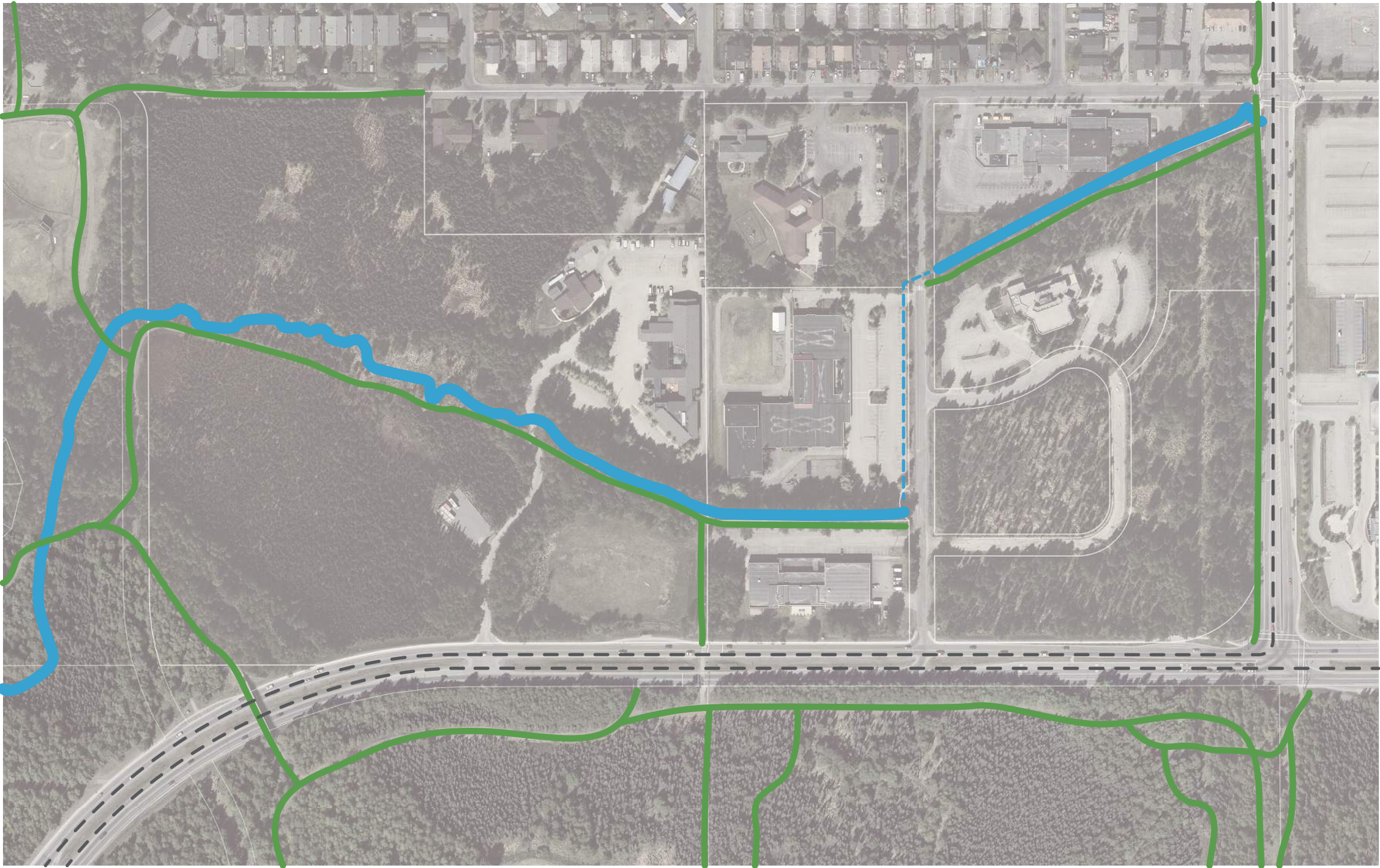


Alaska Mental Health Trust Authority

Anchorage School District  
Whaley School



# Community Park Opportunities



**Natural Features**

— Chester Creek

**Recreational Access**

— Trail System

**Public Transportation**

- - - Bus routes

Being close to public transportation is a must for all organizations on site.

All spend money on vandalism, as most areas are vacant off hours.



# Community Park Physical Burdens



## Wetlands

### Class A (formerly Preservation)

These have the highest wetland resource values. They perform at least two, and typically more, significant wetland functions. "A" wetlands are considered most valuable in an undisturbed state, as most uses or activities, especially those requiring fill, negatively impact known wetland functions. "A" wetlands are not to be altered or otherwise disturbed in any manner, except as outlined elsewhere in the Plan's enforceable policies. Any activity that includes placement of fill in "A" wetlands requires an Individual Section 404 Permit from the Corps of Engineers prior to development.

Source: <https://www.muni.org/Departments/OCPD/Planning/Physical/EnvPlanning/Pages/WetlandFAQs.aspx>

### Class B

### Class C



# Community Park Lease Expiration Dates

All buildings  
will be 50+ years old.

2036

2035

2034

2033

2032

2031

2030

2029

2028

2027

Assets lease expires  
6/30/2026

Catholic Social Services  
4/30/2026

2026

2025

2024

Salvation Army  
10/1/2023

2023

2022

2021

Today

10/1/2023

4/30/2026

In Perpetuity

6/30/2026

Whaley School major capital improvement

5 year project development



# Community Park Building Age and Condition



## Trust Property

Total Area	Building Condition
63,018 sf	Good
25,566 sf	Fair
<b>50,432 sf</b>	<b>Poor</b>
139,016 sf	Total

## Other's

Total Area	Building Condition
8,158	Good
-	Fair
<b>57,688</b>	<b>Poor</b>
65,846	Total

## Total

204,862 Total



# Community Park Vacant Land



## Land Area

Land Area	Location
307,501sf	Lot A
87,950sf	Lot B
131,151sf	Lot C
225,000sf	ARC Ball field
<b>751,602sf</b>	<b>Total</b>



# Stakeholder Meeting Highlights

## Hope Community Resources

What they have:

- (Good) two 4,079gsf 10-occupant homes
- (Poor) 4,000gsf office/meeting building
- (Poor) 1,500gsf 2-unit apartment building

How They Collaborate on-site:

- CITC leases 10 units for transitional [housing](#)
- Assets leases the apartments
- Provides emergency egress to ARC

What They Want:

- Affordable [housing](#)
- 50-unit [housing](#) complex for low-income and disabled
- Senior [housing](#) and services
- [Sell land to cover the cost of leases elsewhere](#)

## Catholic Social Services

What they have:

- (Poor) 32,701gsf food pantry, office and Head Start

How They Collaborate on-site:

- ASD's ACE ACT students volunteer at the food pantry

What They Want:

- A permanent location where they could invest
- [Purchase the property](#)

## ARC of Anchorage

What they have:

- (Very Good) 27,619gsf multipurpose building
- (Good) 4,000gsf office/residential home

How They Collaborate on-site:

- Share resources with HOPE, Assets
- Provides classrooms to ASD's ACE and ACT programs.

What They Want:

- Stabilize their current services; [revenue is falling](#).
- Interested in [revenue generation through a multifamily housing](#) mixed use building that provided market-rate units with assisted living.

## Salvation Army

What they have:

- (Poor) 14,731gsf outpatient facility
- (Poor) 3,000gsf outpatient facility
- (Good) 6,000gsf outpatient facility

How They Collaborate on-site:

- Often share clients with Catholic Social Services

What They Want:

- [First-right of refusal in purchasing the property](#)
- Transitional [housing](#)
- Senior [housing](#) facilities
- Long-term permanent [housing](#)
- A family services office

## Whaley School (ASD)

What they have:

- (Poor) 52,188gsf, 89 student capacity elementary

How They Collaborate on-site:

- They have good relationships with their neighbors, but it is not critical to their operations.

What They Want:

- In 6 to 12 years ASD will make a large capital investments or rebuild because the school does not meet their programming needs, though rebuilding is unlikely in today's funding climate. [ASD is open to rebuilding in another location.](#)

## Assets Inc.

What they have:

- (Fair) 25,566gsf office and print shop

How They Collaborate on-site:

- Although their focus is not on housing, they do run some residences and help people find housing.

What They Want:

- More office space with meeting room, more storage space for the print shop, and more garage space for vehicle maintenance.
- [Additional revenue, currently operational costs increase while revenue remains flat.](#)
- [More housing for clients.](#)



# Zoning and Costs





# Municipality of Anchorage 2040 Land Use Plan Proposed Zoning

## R-4A (amended): Multifamily Residential Mixed-Use District

### 63 possible use types

The R-4A district is a primarily residential district intended for high-density multifamily dwellings, with gross densities intended to be greater than 35 dwelling units per acre. Commercial retail, services, and office uses are also allowed in combination with housing to create a truly mixed-use neighborhood environment, although a majority of the gross floor area of the development shall be a residential use. This district is to be applied in areas near downtown and midtown, in order to provide housing densities which support these city centers, efficient use of residential land, and residential living opportunities near employment and services. By providing the flexibility for integrated mixed-use site development, the R-4A district facilitates reinvestment and revitalization within areas in transition. New mixed-use development should facilitate strong pedestrian and bicycle connections with nearby neighborhoods and city centers.

# Current Zoning

## PLI: Public Lands and Institutions District

### 90 possible use types

The PLI district is intended to include major public and quasi-public civic, administrative, and institutional uses and activities.

The property could maintain and be developed under its current zoning.

There are no requirements to accept the proposed zoning, however incentives could be available with the proposed zoning.



Unlikely use types

R-4A and PLI  
shared use types

- Cemetery or mausoleum
- Library
- Natural resource extraction, organic and inorganic
- Land reclamation
- Utility substation
- Antenna only, small

+

R-4A only (*amended*)

- Manufactured home community
- Rooming- house

or

PLI only

- Crematorium
- Aquarium
- Correctional institution
- Airport or Airstrip, private or Heliport
- Railroad passenger terminal
- Transit center
- Utility facility
- Wind energy conversion system (WECS), utility
- Antenna only, large
- Type 1, 2 and 4 tower
- Commercial horticulture
- Animal shelter
- Large domestic animal facility, principal use
- General outdoor recreation, commercial
- Golf course
- Motorized sports facility
- Shooting range, outdoor
- Skiing facility, alpine
- Data processing facility
- Camper park or Recreational and vacation camp
- Natural resource extraction, placer mining
- Aquaculture
- Impound yard
- Outdoor storage and storage of vehicles  
associated with a community use
- Warehouse or wholesale establishment, general
- Warehouse or wholesale establishment, light
- Composting facility
- Incinerator or thermal desorption unit
- Landfill and Recycling drop-off or Solid waste transfer
- Snow disposal site



\* current Community Park uses

## R-4A and PLI shared use types

### Residential

Assisted living facility (9 or more residents)  
Habilitative care facility, small, medium and large  
Transitional living facility

### Community

Adult care facility (3-8 persons)  
\* **Child care center (9 or more children)**

Community center  
Neighborhood recreation center  
Religious assembly

### \* Social service facility

Boarding school  
College or university  
Elementary school or middle school  
High school  
Instructional services

### \* Health services

Community garden  
Park, public or private  
Community or police substation  
Fire station  
Tower, high voltage transmission

### Commercial

Club / lodge / meeting hall  
Fitness and recreational sports center  
Restaurant

### \* Office, business or professional

Farmers market  
Parking lot or structure (50+ spaces)  
Parking lot or structure (less than 50 spaces)

### Industrial

Commercial food production

## Likely use types

+

## R-4A only (*amended*)

or

## PLI only

### Residential

\$ B Dwelling, mixed-use  
\$ B Dwelling, multifamily  
Dwelling, single-family, attached  
Dwelling, single-family, detached  
\$ B Dwelling, townhouse  
\$ B Dwelling, two-family  
\$ B Assisted living facility (3-8 residents)  
\$ B Adult care facility (9 or more persons)  
\$ B Child care home (up to 8 children)

### Commercial

\$ Retail and pet services  
\$ Veterinary clinic  
\$ Theater company or dinner theater  
\$ Bar  
\$ Food and beverage kiosk  
\$ Financial institution

### \* Business service establishment

\$ General personal services  
\$ Convenience store

### General retail

\$ Grocery or food store  
\$ Liquor store  
\$ Extended-stay lodgings  
\$ Hostel  
\$ Hotel/motel  
\$ Inn

### Industrial

\$ Cottage crafts  
\$ Manufacturing, light

### Residential

B Correctional community residential center  
Community Government administration and civic facility

\$ B Homeless and transient shelter  
\$ B Vocational or trade school

### B Hospital/health care facility

\$ Nursing facility  
\$ Public safety facility

### Commercial

\$ Civic / convention center  
\$ Entertainment facility, major  
\$ Broadcasting facility  
\$ Governmental service  
\$ Research laboratory

community Park Organizations are  
interested in housing

big decision

B beneficiaries social service program or  
supportive of beneficiary social services program

\$ lease revenue possible

(Amended per 11/19/2019 working draft)



# Community Park Contributions

## Fiscal Year 2011-2020 Trust Grants

\$362,970	Catholic Social Services
\$30,000	Assets Inc
\$178,060	ARC of Anchorage
\$394,923	Hope Community Resources
\$68,745	Anchorage School District
\$32,667	Salvation Army

\$1.1 M Total

These grants are not specific to the organization’s Community Park sites.

## Fiscal Year 2011-2020 Uncompensated Use

Estimated **lease costs avoided** for the Community Park beneficiary serving organizations on Trust Property because of current lease agreements:

Estimated cost/sf	Building Condition
\$1.00/sf	poor
\$1.25/sf	fair
\$1.60/sf	good

NNN lease

2.0% escalation

139,016 sf of building area

\$15.1 M



# Community Park Initial Development Costs - “clearing”

rezoning and replatting costs, utility and wetland accommodation costs and escalation will be identified in later stages

## Demolish

A large portion of the buildings in Community Park old and in poor condition. They will require a major investment or replacement. **To demolish Community Park buildings on Trust property considered to be in poor or fair condition assume:**

\$32 per gross sf

75,998sf of poor and fair condition buildings

\$ 2.5 M

## Relocate

**To relocate Community Park organizations occupying buildings, on Trust Land, in poor or fair condition:**

Costs (in 2020 dollars) include furniture, fixtures and equipment, move-in logistics and labor, financing, legal and professional services, construction administration, special inspections and fees, owner (10%) and builder (15%) construction contingencies, Title 36 wages and a builder’s general conditions (12%). Costs assume a new tenant renovation in an existing commercial building.

\$243 - \$272 per gross sf

75,998sf of poor and fair condition buildings

\$18.5 M - \$20.7 M

New Tenant Improvements Only



# Community Park Development Potential Revenue

less risky -----> more risky

## Land Lease

750,000 sf of vacant land area

\$21-24 per sf land value

\$15.8 M - \$18 M land value

8% lease on land value

\$1.3 M - \$1.5 M annual revenue

**10 year income plus 2% escalation**

\$ 14.1 M - \$16.2 M

(actual land lease’s terms are typically 30-60 years)

## Lender

20 M Loan (20% of a hypothetical project)

5% Interest Rate

**10 year income, 25 year amortization**

\$ 7.5 M

(This is an option available to the Trust to **encourage a development**, but not to facilitate the highest return on investment which could be 6.5%, 1.5% higher)

## Equity

20 M (20% of a hypothetical project)

12% Interest

**10 year term, 25 year amortization**

\$ 24.0 M

# Community Park Summary (10 year)

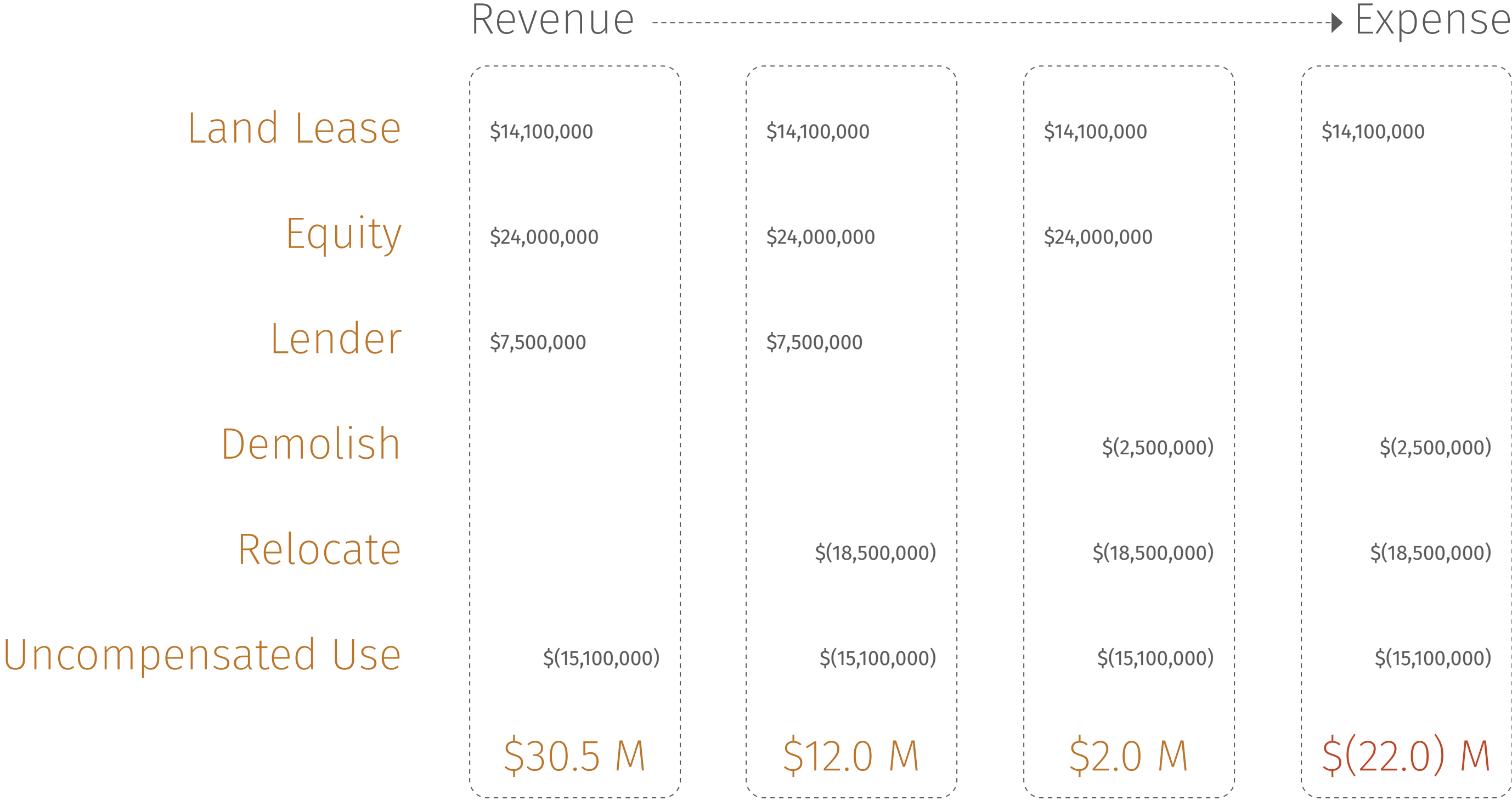
The estimated sums below are not complete or final development sums.

	Revenue	Expense
Land Lease	\$14,100,000	
Equity	\$24,000,000	
Lender	\$7,500,000	
Demolish		\$(2,500,000)
Relocate		\$(18,500,000)
Uncompensated Use		\$(15,100,000)
	\$45.6 M	\$(36.0) M



# Community Park Development Potential Futures (10 year)

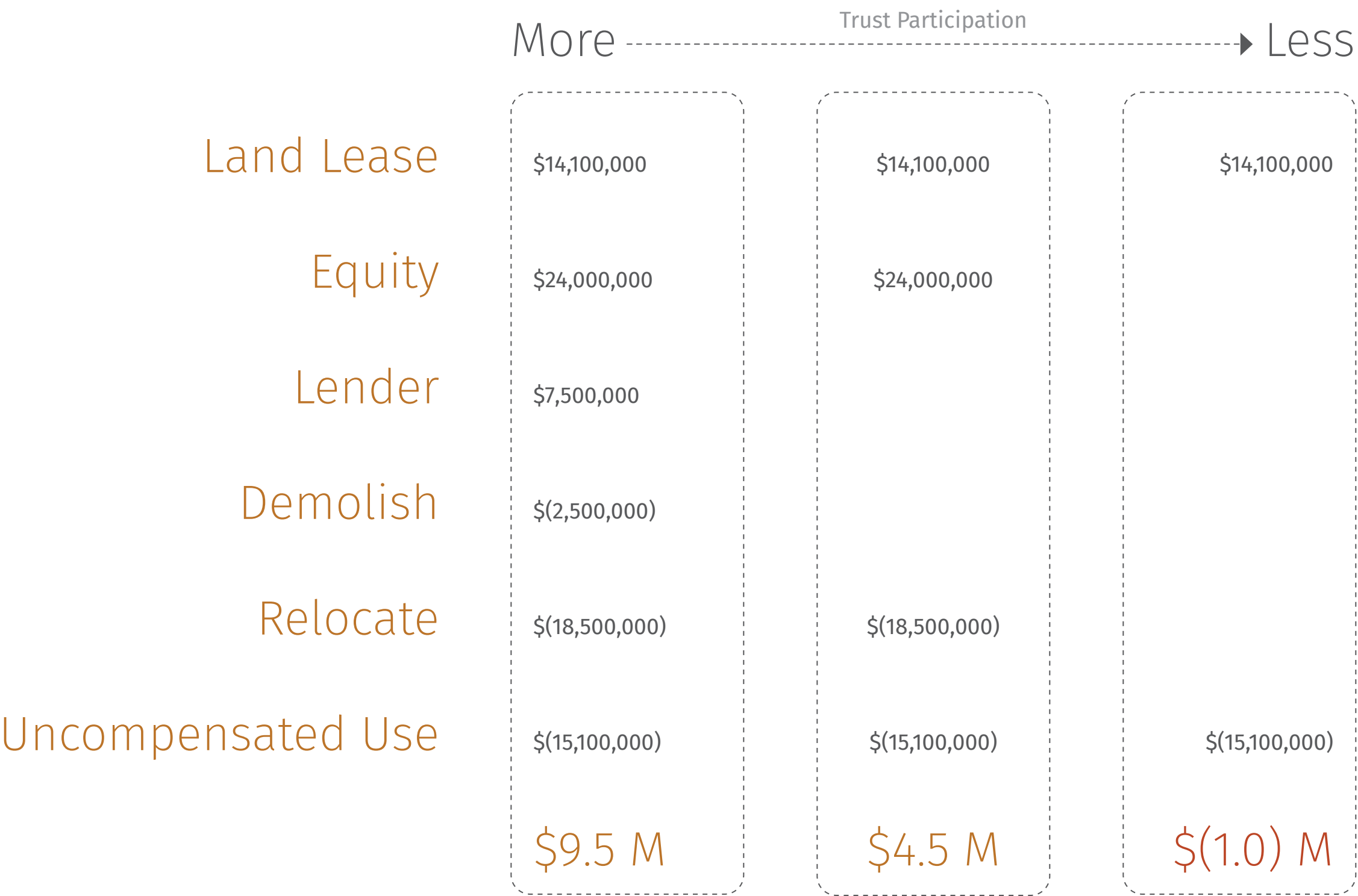
The estimated sums below depict initial relationships, they are not complete or final development sums.





# Community Park Development Potential Futures (10 year)

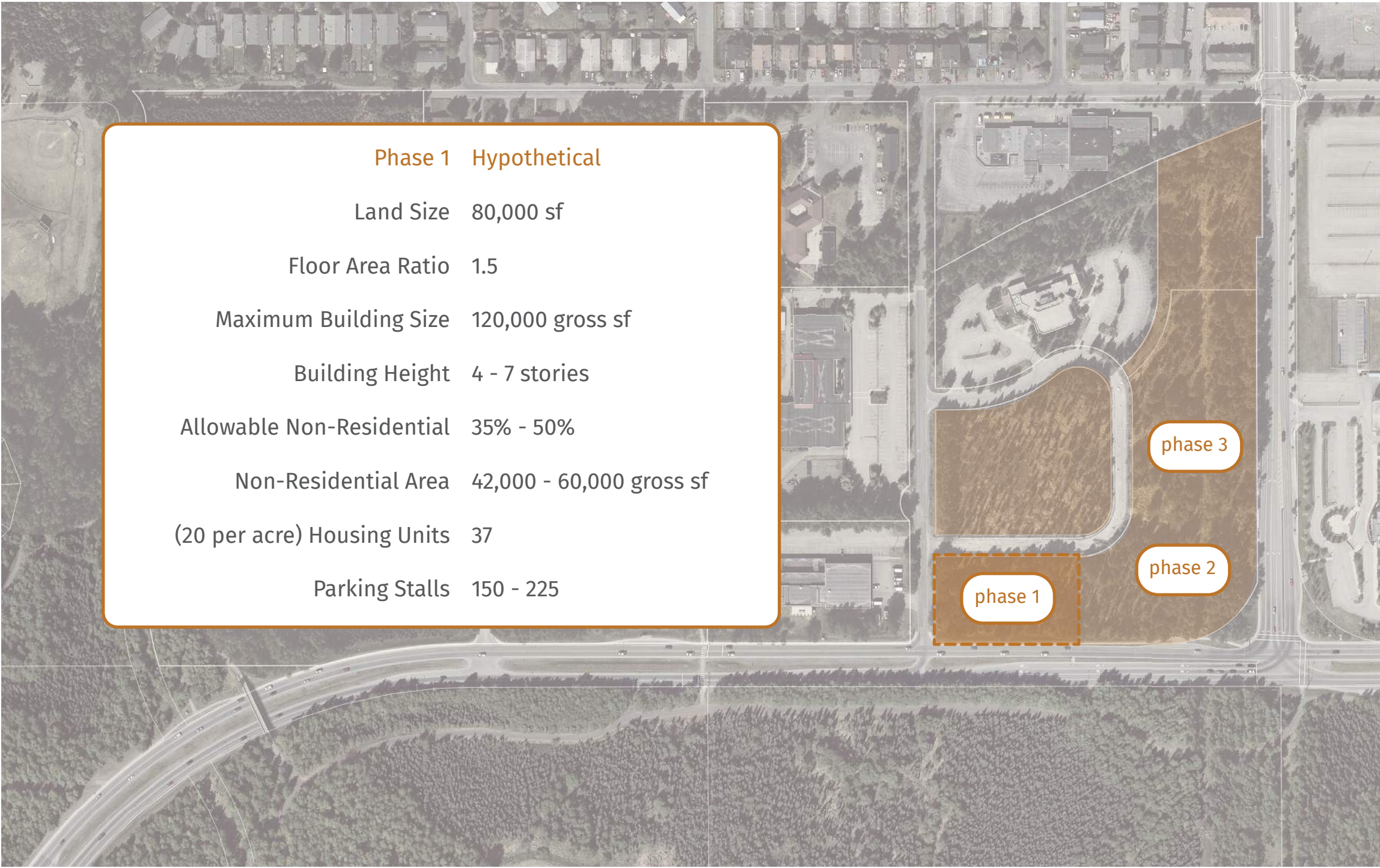
The estimated sums below depict initial relationships, they are not complete or final development sums.





# Hypothetical R-4A (amended) Phasing, Size and Cost

Project Costs between \$425 and \$475 per sf



Costs (in 2020 dollars) include shelled non-residential spaces, completed residential units ready for move-in, site improvements, landscaping, parking and site lighting, financing, legal and professional services, construction administration, special inspections and fees, owner and builder construction contingencies, Title 36 wages and a builder's general conditions.



## Next Steps - Leading to a Master Plan

- Engage outside organizations to identify potential interest, investment and incentives.

Municipality (potential for a Reinvestment Focus Area agreement)

Surrounding Institutions

Private Interests

- Build and test preliminary financial models (proforma) for current and proposed uses.
- Test physical limits of lots and potential lots.
- Develop a plan for expiring lease agreements and impending deferred maintenance costs.