



August 25, 2023

Re: Comments on "10% Nonconformity fee"

Dear Anchorage Assembly Committee on Community and Economic Development:

I am writing to ask you to consider repealing or modifying AMC 21.13.060C.4, which requires an applicant to pay 10 percent of the total project costs as a fee in the event that the applicant is unable to move certain characteristics of use towards zoning conformity.

It is common in older neighborhoods to have buildings and sites that were developed prior to 1980, and certainly prior to the rewrite of the zoning code in 2014. Due to the requirements at time of construction, and often subsequent right-of-way acquisition as city roads expanded, these sites do not have the physical space to accommodate landscaping and site improvements. However, rehabilitating an older Anchorage building is not inexpensive; in addition to dealing with outdated building systems and needed upgrades, these buildings often also deal with remediating lead paint and asbestos and making other life and safety improvements for the buildings occupants.

Because these improvements are internal to buildings, none of these costs are considered when moving a building towards conformity with the zoning code. At best, AMC 21.13.060C.4 acts as a disincentive to making significant renovations to older buildings; at worst, it acts as one more reason for building owners or new investors to avoid taking these projects on in the first place.

Cost of new development or major rehabs in many of our older neighborhoods is in many cases not feasible. It is not uncommon for market lease rates to be 50% or less what lease rates would be needed to support new construction or major rehab. The premise that our commercial core will simply see widescale redevelopment is simply not reality. Finally, it is not clear how the MOA manages, tracks, and expends the "10% fee" funding to ensure that it is actually flowing back into the immediate area where the investment is being made.

In conclusion, please consider repealing the "10% fee" requirement as a way to support re-investment and adaptive reuse of aging building stock.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tyler Robinson".

Tyler Robinson
VP, Community Development and Real Estate