



## SB77/HB84 Economic Development Legislation

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### Fast Facts

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- This bill gives additional tools and local control to the cities and towns around the state.
- This bill allows municipalities/cities to self-determine how they implement incentives to stimulate development within their own communities.
- This bill has bi-partisan support.
- This bill is sponsored by Senator Dunbar in the Senate and by Representative Sumner in the House.
- This bill will have no financial consequences for the state and does not negatively affect Education. Locally it will increase development and the tax base for each community, contributing to education.
- The state has a precedence for this type of incentive, already allow municipalities/cities to offer a 100% abatement for Deteriorated Property. This bill will extend that to Economic Development.
- This bill will have an impact on job creation in the state.
- This bill is going to help company's attract workforce to Alaska by creating housing.
- This bill will positively affect our growing military by creating more off base housing.
- This bill will increase availability of housing for our young people to grow and live in Alaska.
- This bill is a win-win for multiple sectors of the economy, jobs, housing, tax creation, construction.
- This bill gives Municipalities/cities a tool to encourage "Blighted" property development.
- In Anchorage as with the rest of the state, there is a serious GAP between the cost of building and the needed returns to make projects commercially feasible. According to Principal/Owner Shanna Zuspan, Agnew Beck Consulting who has analyzed more than 30 potential projects around the state in the last few years,

***"The cost to build new commercial grade buildings far exceeds the value of the rental stream that is produced. The gap continues to increase due to the high cost of construction post-Covid. Generally speaking, pro-forma analysis indicates a financial feasibility gap of about \$120,000 per workforce housing unit or about 45 percent of the total development cost of a project. This bill will help bridge that gap."***

Link: <https://www.akleg.gov/PDF/33/Bills/SB0077A.PDF>

Thank you for your consideration. **We urge you to support SB77 HB 84.**

For more information contact:

Mike W. Robbins

Executive Director, Anchorage Community Development Authority

Direct: 907-297-4401 Cell: 907-519-9191

E-mail [mrobbins@acda.net](mailto:mrobbins@acda.net)



# Building Our City's Future