

SB

87

**<TARGET><BILL>SB 87</BILL><SUBJECT>SB
87</SUBJECT><COMM>SCRA29</COMM></TARGET>**

ALASKA STATE LEGISLATURE
Senate Community & Regional Affairs Committee

Senator Click Bishop
Chair

Room 115
Phone (907) 465-2327
Sen.click.bishop@akleg.gov



Members:
Sen. Bert Stedman – Vice Chair
Sen. Anna MacKinnon
Sen. Lyman Hoffman
Sen. Dennis Egan

Agenda

March 3, 2015

SB 87 – Municipal Taxes on Deteriorated Property, by Senator Meyer

In this packet:

- Agenda
- SB 87 Sponsor Statement
- SB 87 version W
- SB 87 Fiscal Note
- SB 87 – Informational Paper
- SB 87 – Informational packet
- Six letters of Support

Alaska State Legislature




Interim:
716 West 4th Avenue
Anchorage, Alaska 99501
(907) 269-0199 Phone
(907) 269-0197 Fax

Session:
State Capitol Building, Room 111
Juneau, Alaska 99801-1182
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Senate President Kevin Meyer Senate District M

TO: Senator Click Bishop, Chair
Senate Community & Regional Affairs Committee

FROM: Senator Kevin Meyer
Senate President 

DATE: March 20, 2015

RE: Request to Schedule SB 87: Municipal Taxes on Deteriorated Property

With this memorandum, I respectfully request the scheduling of SB 87 in the Senate Community and Regional Affairs Committee. This legislation will authorize municipal governments to offer optional property tax abatement for the redevelopment of deteriorated properties.

Attached to this memorandum please find:

- Sponsor Statement
- SB 87, Version 29-LS0756\W
- Technical Amendments to AS 29.45.050(o) Handout
- Supplemental Housing Development Grant Program Handout

If you have any questions, please contact the staff member assigned to this bill, Edra Morledge at 465-6874.

Alaska State

Legislature

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Senate President Kevin Meyer

Senate District M

SB 87: Municipal Taxes on Deteriorated Property

SB 87 authorizes municipalities to incentivize the rehabilitation, demolition, and redevelopment of blighted properties in deteriorated communities across the state. Currently, in AS 29.45.050(o), a residential property is eligible to receive an optional municipal property tax abatement only if it is a commercial property not used for residential purposes, or is a multi-unit residential property with at least eight residential units. Unfortunately, the statute is unclear in that it does not specify whether an eligible multi-unit property must have eight units *prior* to redevelopment or *after* the redevelopment is complete. This legislation clarifies that properties are eligible for optional municipal property tax abatement if eight or more residential units are located on the property either at the time of application or at the time of the completion of the project.

In addition, SB 87 amends the statute to clarify that when a single entity owns multiple residential properties within a designated deteriorated area, those properties may collectively be considered a "deteriorated property" for purposes of meeting the statute's eight-unit minimum for residential multi-family properties. This clarification provides greater flexibility to municipalities to craft incentives for redevelopment projects to meet their specific goals.

SENATE BILL NO. 87

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY SENATOR MEYER

Introduced: 3/20/15

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the optional exemption from and deferral of payment of municipal**
2 **taxes on deteriorated property."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 29.45.050(o) is amended to read:

5 (o) A municipality may by ordinance partially or totally exempt all or some
6 types of deteriorated property from taxation for up to 10 years beginning on or any
7 time after the day substantial rehabilitation, renovation, demolition, removal, or
8 replacement of any structure on the property begins. A municipality may by ordinance
9 permit deferral of payment of taxes on all or some types of deteriorated property for
10 up to five years beginning on or any time after the day substantial rehabilitation,
11 renovation, demolition, removal, or replacement of any structure on the property
12 begins. However, if the entire ownership of property for which a deferral has been
13 granted is transferred, all tax payments deferred under this subsection are immediately
14 due, and the deferral ends. Otherwise, deferred tax payments become due as specified

1 by the municipality at the time the deferral is granted. The amount deferred each year
 2 is a lien on that property for that year. Only one exemption and only one deferral may
 3 be granted to the same property under this subsection, and, if an exemption and a
 4 deferral are granted to the same property, both may not be in effect on the same
 5 portion of the property during the same time. An ordinance adopted under this
 6 subsection must include specific eligibility requirements and require a written
 7 application for each exemption or deferral. An application for a deferral must specify
 8 when payment of taxes for each year of deferral will become due, together with an
 9 explanation of the reasons for each proposed date for consideration by the
 10 municipality. In this subsection, "deteriorated property" means real property that,
 11 **either at the time of application for exemption or deferral or at the time of**
 12 **completion of the project for which an exemption or deferral is requested,** is

13 **(1) residential property located in a deteriorating or deteriorated**
 14 **area with boundaries that have been determined by the municipality, if the**
 15 **property is owned by an entity that owns at least two residential properties and**
 16 **eight or more residential units among those properties in that deteriorating or**
 17 **deteriorated area; or**

18 **(2)** commercial property not used for residential purposes or that is
 19 multi-unit residential property with at least eight residential units, and that meets one
 20 of the following requirements:

21 **(A)** [(1)] within the last five years, has been the subject of an
 22 order by a government agency requiring environmental remediation of the
 23 property or requiring the property to be vacated, condemned, or demolished by
 24 reason of noncompliance with laws, ordinances, or regulations;

25 **(B)** [(2)] has a structure on it not less than 15 years of age that
 26 has **not** undergone substantial rehabilitation, renovation, demolition, removal,
 27 or replacement, subject to any conditions prescribed in the ordinance; or

28 **(C)** [(3)] is located in a deteriorating or deteriorated area with
 29 boundaries that have been determined by the municipality.

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version: SB 87
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB087-DCCED-DCRA-03-27-15
Title: MUNI TAXES ON DETERIORATED PROPERTY
Sponsor: MEYER
Requester: (S) Community and Regional Affairs

Department: Department of Commerce, Community and
Economic Development
Appropriation: Community and Regional Affairs
Allocation: Community and Regional Affairs
OMB Component Number: 2879

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation	Governor's	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
OPERATING EXPENDITURES	Requested	FY2016					
	FY 2016	Request					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: Katherine Eldemar, Director	Phone: (907)465-8249
Division: Community and Regional Affairs	Date: 03/27/2015 11:30 AM
Approved By: Catherine Reardon, Director	Date: 03/27/15
Agency: Division of Administrative Services, DCCED	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. SB 87

Analysis

SB87 amends AS 29.45.050(o) to allow municipalities the option to partially or wholly exempt, and/or defer, the property taxes for all or a portion of specific deteriorated residential property. The exemption is restricted to property located in a deteriorating or deteriorated area within the municipality and is limited to ten years. The amendment adds a definition for deteriorated [residential] property such that it may be composed of more than one property as long as it is owned by the same entity and has eight or more residential units in that deteriorating or deteriorated area.

The Division of Community and Regional Affairs does not anticipate a fiscal impact from passage of this bill.

Technical Amendments to AS § 29.45.050(o)

Optional Municipal Property Tax Incentives for Redevelopment of Deteriorated Properties

AS § 29.45.050(o) gives municipalities the option of offering property tax incentives for the rehabilitation, renovation, demolition, removal, or redevelopment of deteriorated properties. The statute is designed to provide municipalities the flexibility to craft tax abatement agreements with developers that best meet the community's objectives. While the statute provides optional waiver or deferral of property taxes under specific circumstances, it does not require municipalities to provide such incentives and requires the passage of an ordinance to implement them. This is an important tool for municipalities to encourage economic development that allows not only for revitalization but ultimately an increase in the municipal tax base.



Anchorage's Mountain View Neighborhood

Because the statute is optional, it allows for individual municipalities to make determinations regarding its use within the framework of their applicable ordinances, allowing for innovation and the encouragement of creative development solutions. Minor clarifications to the statute would make this an even more effective and nimble tool without implementing any new requirements.

First, under the current statute, a residential property is not eligible to receive optional property tax abatement from a municipality unless it is a "commercial property not used for residential purposes" or a "multi-unit residential property with at least eight residential units[.]" The



Mountain View, Post-Redevelopment

Legislature should clarify that this requirement may be satisfied either at the time of application for exemption or at the time of the completion of the project for which an exemption is requested. This maintains the intended applicability of the statute to larger development projects that have broader community impacts while recognizing that those impacts are often likely to be felt after a project is completed.

Second, the Legislature should amend the statute to clarify that when a single entity owns multiple residential properties within a designated deteriorated area,

those properties can collectively be considered a "deteriorated property" for purposes of meeting the statute's eight-unit minimum for residential multi-family properties. This clarification provides greater flexibility to municipalities to craft incentives for development projects that meet their specific goals.



**PREPARED STATEMENT OF GABE LAYMAN
Executive Vice President & General Counsel
Cook Inlet Housing Authority**

**TO THE ALASKA SENATE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

REGARDING SENATE BILL 87

March 31, 2015

Good afternoon, Chairman Bishop and distinguished members of the Senate Community and Regional Affairs Committee. I appreciate the opportunity to testify briefly this afternoon regarding Senate Bill 87.

My name is Gabe Layman. I serve as the Executive Vice President and General Counsel for Cook Inlet Housing Authority. We are one of fourteen regional housing authorities that deliver safe, affordable housing to low-income Alaskan seniors, families, and individuals.

Our service area covers the entire Cook Inlet Region. We promote homeownership through lending programs, but we also develop, own, and manage more than 1,200 rental units from Seldovia to the Mat-Su Valley.

SB 87 is legislation that could have positive statewide impacts. But to make clear what SB 87 does and does not do, I will use Anchorage as an example. As you all know, there are communities within Anchorage that experience blight, disinvestment, and deterioration. Historic neighborhoods like Fairview and Spenard have tremendous potential for redevelopment, but some portions of these communities are private sector kryptonite – contaminated former gasoline stations, drug houses seized by law enforcement, and properties with large, blighted structures that are costly to demolish because they were built with hazardous materials. Market conditions and federal, state, and local regulation make it very expensive to acquire and redevelop properties like these. For that reason, we have seen very little private sector redevelopment of blighted properties anywhere in Alaska. And so long as the worst of the worst properties in these communities remain untouched, the sickly shadows they cast will discourage any investment in properties located nearby.

Presently, there are few tools available to encourage private investors to take on the risk associated with the redevelopment of deteriorated properties. One tool that does exist, at least in theory, is a state statute that gives municipalities the option of offering property tax incentives for the rehabilitation or redevelopment of deteriorated properties. The applicable statute, AS 29.45.050(o), creates an optional tool that allows municipalities to encourage redevelopment in their most blighted areas. The vision was for municipalities to employ this tool to encourage private investment, promote economic development, and ultimately increase their municipal tax bases.

This vision has not been realized. I am aware of only two communities that have opted-in by adopting an ordinance that authorizes optional property tax incentives for the redevelopment of deteriorated

property – the Municipality of Anchorage and the Fairbanks Northstar Borough. I am not aware of any projects in Fairbanks that have benefitted from this provision and only three or four in Anchorage that have.

Why isn't the tool being used? Developers would like to use the tool, and in Anchorage at least, the Municipality has been willing to make it available. Unfortunately, the authorizing statute is confusing and in some ways overly restrictive. SB 87 would clarify the statute and make improvements that would enhance its usefulness.

Before I dive into the details, I want to emphasize what the current law and SB 87 do NOT do. Neither the existing statute nor SB 87 requires municipalities to provide tax incentives of any kind. Municipalities must by ordinance "opt-in" if they wish to offer this tool to developers. Further, once a municipality opts-in, it retains the ability to evaluate project applications on a case-by-case basis.

SB 87 makes three significant improvements to the current legislation.

1. The statute presently provides that a residential property may be eligible to receive property tax abatement from a municipality if it is a "multi-unit residential property with at least eight residential units[.]" It is not clear at what point in time the property must have eight residential units. This language is ambiguous and has confused both municipal officials and developers. SB 87 clarifies that this requirement may be satisfied either at the time of application for exemption/deferral or at the time of project completion.

This amendment makes it clear that the purposes of the statute – to authorize locally-determined efforts to eliminate blight and redevelop deteriorated properties – could be satisfied in multiple ways. A developer could seek property tax incentives for a project that would turn two blighted units into eight new, quality homes. Similarly, a developer could seek property tax incentives for a project that would remove eight blighted units in an overly dense neighborhood and replace them with four new, high quality homes.

2. SB 87 would also amend the authorizing statute to clarify that an entity could apply for property tax incentives when it owns multiple residential properties, collectively having eight or more units, within a single deteriorated area. This amendment would encourage developers to revitalize deteriorated areas by acquiring multiple properties and redeveloping them in a coordinated manner.

For example, if a developer owns a number of small properties in a deteriorated area, such as 8,000 square foot residential lots in Fairview, those parcels are not currently eligible for municipal property tax incentives because they cannot each independently support eight or more units. This remains true even if the development as a whole would impact dozens of housing units. We need to fix this.

3. Finally, SB 87 makes a technical amendment to the current statute to fix the omission of a single, very important word. The statute currently states that commercial property is eligible if it "has a structure on it not less than 15 years of age that *has* undergone substantial rehabilitation, renovation, demolition, removal, or replacement..." Inserting the word "not" after the word "has" ensures that the statute is not inadvertently encouraging the redevelopment of commercial properties that *have* been improved within the past fifteen years. This minor technical issue alone is currently an impediment to the redevelopment of Anchorage's historic 4th Avenue Theater by an extremely interested and capable private developer.

Again, thank you to the members of the Committee for your time today. If passed, SB 87 will promote economic development and further empower municipalities to address blight and deterioration in a locally-controlled manner. Better yet, it will not cost the State a dime. Thank you.

Supplemental Housing Development Grant Program (SHDG)

- Essential source of funding for housing development in both urban and rural Alaska
- Competitively awarded to Regional Housing Authorities that have also secured federal HUD funding
- Develops water & sewer infrastructure, roads, electrical/gas distribution, energy efficiency features

DEVELOPMENT EXAMPLES:

Eagle River – Coronado Park Senior Village

- 56-unit senior housing development completed in downtown Eagle River 2014
- Accommodates market rate households (i.e. no income restrictions) and households making below 60% of Area Median Income (\$37,680 for one person)



The majority of the SHDG funds in Coronado Park were used for energy efficiency items that supported the development of a 5-Star project. The State's SHDG investment represents just 9.2% of the overall project. Without the State's SHDG investment, however, it would have been impossible to build a 5-star energy efficient building and, more critically, it is unlikely that the development funding gap could have been closed to make the project feasible.

Coronado Park Senior Village Sources of Investment:

LIHTC Equity	57%
1 st Deed of Trust (Northrim Bank CIP Loan)	14%
2 nd Deed of Trust (CIHA NAHASDA Loan)	10.5%
SOA (Supplemental Housing Development Grant Funds)	9%
Senior Citizens Housing Development Fund	5%
Rasmuson Foundation Grant	3%
Alternative Energy Credit	<1%
Deferred Developer Fee	1%
Total	\$16,555,688

East Anchorage – Creekview Plaza 49

- Mixed-use development (commercial and residential) at the Creekside Town Center in Muldoon
- 49 senior housing rental apartments and approximately 6,600 SF of retail space
- Fully funded and scheduled to break ground spring 2015



The State's SHDG investment in Creekview Plaza 49 is \$1.9 million, approximately 11.2% of the total project cost. SHDG funds will enable the project to be built to AHFC's new highly efficient 6-Star BEES rating. The majority of the SHDG will fund energy efficiency items, which, along with an innovative ground source heat pump system, will greatly reduce long-term operating costs. Again, the project may not have been feasible with SHDG grant funding to fill the development gap.

Creekview Plaza 49 Sources of Investment:

LIHTC Equity	27%
1 st Deed of Trust (AHFC)	18%
2 nd Deed of Trust (AHFC Soft Second)	4%
3 rd Deed of Trust (Deferred Developer Fee)	3%
4 th Deed of Trust (CIHA Loan)	2%
5 th Deed of Trust (CIHA NAHASDA Loan)	9%
SOA (Supplemental Housing Development Grant Funds)	11%
Senior Citizens Housing Development Fund	14%
Rasmuson Foundation	8%
Federal Home Loan Bank (FHLB)	4%
Alternative Energy Credit	<1%
Additional Owner Cash	<1%
Total	\$16,870,736

East Anchorage – Grass Creek North

- 100 apartment homes for families and senior citizens on 8.5 acres near Fred Meyer
- Will include a 3-story apartment building and 25 townhouse buildings
- 1-, 2-, 3-, and 4-bedroom units
- Breaking ground on Phase 1 (52 units) in May 2015



The site is vacant and lacks the costly road system and infrastructure (water/sewer, gas, electric, storm sewer) required to build new housing in the Municipality of Anchorage. A \$2.3 million SHDG award from AHFC will pay for roadway expenses and water/sewer infrastructure. Grass Creek North would likely not have moved forward without SHDG funding.

Grass Creek North, Phase I Sources of Investment:

LIHTC Equity	61%
1 st Deed of Trust (AHFC)	14%
2 nd Deed of Trust (AHFC Soft Second)	3%
3 rd Deed of Trust (CIHA NAHASDA Loan)	7%
SOA (Supplemental Housing Development Grant Funds)	10%
Rasmuson Foundation	2%
Alternative Energy Credit	1%
Additional Owner Cash	<1%
Total	\$16,316,240

Spenard – Revitalization around 36th Avenue and Spenard Road

Cook Inlet Housing has begun conceptual design work on an anticipated \$25-30 million redevelopment effort in the area of Spenard Road and 36th Avenue. The proposed project has received broad support from the Community and the State of Alaska, which has provided \$2.15 million for land acquisition and demolition of blighted structures. To date, CIHA has strategically assembled 14 parcels, with the potential for additional property acquisitions.



The Spenard redevelopment effort will include the environmental remediation of a contaminated former gas station, demolition of at least 13 blighted commercial and residential structures, and construction of new housing and commercial space to revitalize the surrounding area. Two of the properties were purchased from the federal government having been seized for illegal activities, including a deteriorated former strip club.

Despite being located in Midtown Anchorage, the properties lack basic infrastructure. The properties were served by wells, and Cook Inlet Housing anticipates that new mainline water and sewer extensions, road improvements, sidewalks, and potentially new storm sewers will be required. The significant challenge of completing these infrastructure improvements in an urbanized area exacerbates the funding gap that already exists for housing developers in Anchorage. The SHDG is a pivotal resource to help fill this gap and facilitate tens of millions of dollars of additional non-state investment.

The Spenard Redevelopment project will replace blighted and contaminated properties with needed housing and commercial development that will catalyze additional private sector investment. In other Anchorage neighborhoods, the removal of blight and development of quality housing has drawn private investment into the community and produced measurable social and economic improvements.

The Honorable Senator Click Bishop
Chair, Senate Community & Regional Affairs Committee
State Capitol Room 111
Juneau, AK 99801



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Tel. 907-279-5650
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March 27, 2015

Honorable Senator Bishop:

On behalf of Anchorage Downtown Partnership, Ltd. – a nonprofit community organization created by the business and property owners of downtown Anchorage – I write to you today in support of SB 87.

In our community, there is increasing need to rehabilitate, renovate, demolish, remove, or redevelop deteriorated buildings and properties. Though we are a relatively young municipality, much of our existing building inventory is reaching the end of its usable life and/or the property is not being utilized to its full potential. When combined with the lack of buildable land left in Anchorage, a severe housing shortage for our growing population, and the high costs associated with redevelopment, it becomes clear that a tool is needed for municipalities to encourage innovative redevelopment in their most blighted areas – including parts of downtown Anchorage.

Currently, AS 29.45.050(o) authorizes participating municipalities to incentivize redevelopment of deteriorated commercial or multi-family residential properties through partial or total tax abatement or deferral. However, these incentives are underutilized because of shortcomings with the statute. SB 87 will correct those shortcomings.

For example, AS 29.45.050(o) limits the property tax abatement or deferral to “multi-unit residential property with at least eight residential units,” and does not allow for the incentive to apply to a property or properties with the *potential* to build eight units or more. In other words, it does not allow a municipality to incentivize the redevelopment of an underutilized and deteriorated property that has the potential for greater utility.

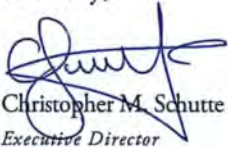
SB 87 will modify AS 29.45.050(o) to allow a municipality to offer tax incentives to projects that satisfy the eight-unit requirement either at the time of application for exemption/deferral *or* at the time of the completion of the project for which an exemption or deferral is requested. This preserves the statutory intention that this tool only applicable to larger development projects that have broad community impacts.

SB 87 also will modify AS 29.45.050(o) to clarify that a municipality may offer tax incentives to a single entity that owns multiple residential properties within a deteriorated area *only if* the collective properties will satisfy the statute's eight-unit minimum, providing municipalities greater flexibility to craft incentives for larger redevelopment projects that meet their specific goals.

Passage of SB 87 will empower municipalities to address blight and deterioration in a locally-controlled manner through optional tax abatement and deferral. The changes proposed in this legislation will go a long way toward making it easier for participating municipalities to incentivize the redevelopment of deteriorated and underutilized properties, encourages much needed multi-family residential development in Anchorage, and provides opportunities for the private sector to pursue denser mixed-use development.

I strongly support the passage of SB 87 and thank you for your service to our state.

Sincerely,



Christopher M. Schutte

Executive Director

Anchorage Downtown Partnership, Ltd.

CC: Senator Bert Stedman
Senator Lyman Hoffinan
Senator Anna McKinnon
Senator Dennis Egan
Senator Kevin Meyer



**ASSOCIATION OF
ALASKA HOUSING AUTHORITIES**

Building communities, empowering Alaskans.

March 27, 2015

The Honorable Senator Kevin Meyer
State Capitol Room 111
Juneau, AK 99801

**SUBJECT: SB 87 – AN ACT RELATING TO THE OPTIONAL EXEMPTION FROM AND DEFERRAL
OF PAYMENT OF MUNICIPAL TAXES ON DETERIORATED PROPERTY**

Dear Senator Meyer:

I write today on behalf of the Association of Alaska Housing Authorities and the 14 regional housing authorities represented, to express our strong support for SB 87 and to thank you for introducing the bill.

As you are aware, Alaska law gives municipalities the option of offering property tax incentives for the rehabilitation, renovation, demolition, removal, or redevelopment of deteriorated properties. The applicable statute, AS 29.45.050(o), was intended to create an optional tool that would allow individual municipalities to encourage innovative redevelopment strategies in their most blighted areas. The vision was for municipalities to employ this tool to promote economic development and ultimately increase their municipal tax bases.

It is important to also understand what the current law and SB 87 do NOT do. Neither the existing statute nor SB 87 requires municipalities to provide tax incentives for the redevelopment of deteriorated properties. Municipalities must by ordinance "opt-in" if they wish to offer this tool to developers. Further, once a municipality opts-in, it retains the ability to evaluate project applications on a case-by-case basis.

Presently, optional tax incentives for the redevelopment of deteriorated properties are vastly underutilized because of technical problems with the current statute:

1. Currently, a residential property is may be eligible to receive optional property tax abatement from a municipality if it is a "multi-unit residential property with at least eight residential units[.]" This language is ambiguous and has confused both municipal officials and developers. SB 87 would clarify that this requirement may be satisfied either at the time of application for exemption/deferral or at the time of the completion of the project for which an exemption or deferral is requested. This preserves the intended applicability of the statute to larger development projects that have broad community impacts while recognizing that those impacts are often likely to be realized after a project is completed.

March 27, 2015
The Honorable Representative Kevin Meyer

2. SB 87 would also amend the statute to clarify that when a single entity owns multiple residential properties within one designated deteriorated area, those properties can be considered collectively to satisfy the statute's eight-unit minimum. This clarification provides greater flexibility to municipalities to craft incentives for larger redevelopment projects that meet their specific goals.

Again, thank you for your willingness to introduce SB 87. When passed, this legislation will promote economic development and further empower municipalities to address blight and deterioration in a locally-controlled manner.

Respectfully,



Guy Adams,
Vice-President, Association of Alaska Housing Authorities



March 27, 2015

The Honorable Senator Kevin Meyer
State Capitol Room 111
Juneau, AK 99801

SUBJECT: SB 87 – AN ACT RELATING TO THE OPTIONAL EXEMPTION FROM AND DEFERRAL OF PAYMENT OF MUNICIPAL TAXES ON DETERIORATED PROPERTY

Dear Senator Meyer:

I write today on behalf of Anchorage Community Development Association to express our strong support for SB 87 and to thank you for introducing the bill.

As you are aware, Alaska law gives municipalities the option of offering property tax incentives for the rehabilitation, renovation, demolition, removal, or redevelopment of deteriorated properties. The applicable statute, AS 29.45.050(o), was intended to create an optional tool that would allow individual municipalities to encourage innovative redevelopment strategies in their most blighted areas. The vision was for municipalities to employ this tool to promote economic development and ultimately increase their municipal tax bases.

It is important to also understand what the current law and SB 87 do NOT do. Neither the existing statute nor SB 87 requires municipalities to provide tax incentives for the redevelopment of deteriorated properties. Municipalities must by ordinance "opt-in" if they wish to offer this tool to developers. Further, once a municipality opts-in, it retains the ability to evaluate project applications on a case-by-case basis.

Presently, optional tax incentives for the redevelopment of deteriorated properties are vastly underutilized because of technical problems with the current statute:

1. Currently, a residential property may be eligible to receive optional property tax abatement from a municipality if it is a "multi-unit residential property with at least eight residential units[.]" This language is ambiguous and has confused both municipal officials and developers. SB 87 would clarify that this requirement may be satisfied either at the time of application for exemption/deferral or at the time of the completion of the project for which an exemption or deferral is requested. This preserves the intended applicability of the statute to larger development projects that have broad community impacts while recognizing that those impacts are often likely to be realized after a project is completed.

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2.

SB 87 would also amend the statute to clarify that when a single entity owns multiple residential properties within one designated deteriorated area, those properties can be considered collectively to satisfy the statute's eight-unit minimum. This clarification provides greater flexibility to municipalities to craft incentives for larger redevelopment projects that meet their specific goals.

Again, thank you for your willingness to introduce SB 87. When passed, this legislation will promote economic development and further empower municipalities to address blight and deterioration in a locally-controlled manner.

Respectfully,

Ronald T. Pollock,
Executive Director





March 27, 2015

The Honorable Senator Kevin Meyer
State Capitol Room 111
Juneau, AK 99801

SUBJECT: SB 87 – AN ACT RELATING TO THE OPTIONAL EXEMPTION FROM AND DEFERRAL OF PAYMENT OF MUNICIPAL TAXES ON DETERIORATED PROPERTY

Dear Senator Meyer:

I write today on behalf of the Anchorage Community Land Trust to express our strong support for SB 87 and to thank you for introducing the bill.

As you know from your prior visits with us, the Anchorage Community Land Trust ("ACLT") works in the lowest income areas of Anchorage to encourage business and community growth. One of the key ways we do this is through purchasing and redeveloping deteriorated commercial properties. This is an expensive and difficult process, but it is necessary to catalyze otherwise forgotten areas of the Municipality. This approach has led to many successes, including the Mountain View Service Center, which brings hundreds of people to the neighborhood to work and to attend trainings. This in turn brings positive economic growth.

A key part of redeveloping communities lies not just with commercial activity, but with housing and the life residents can make for themselves in their community. As housing becomes a more pressing issue in Anchorage and around the State, we support efforts by the Legislature to help those catalytic processes of commercial and housing redevelopment.

We therefore strongly support SB 87 and the amendments to the Alaska law giving municipalities the option of offering property tax incentives for the rehabilitation, renovation, demolition, removal, or redevelopment of deteriorated properties. The applicable statute, AS 29.45.050(o), was intended to create an optional tool that would allow individual municipalities to encourage innovative redevelopment strategies in their most blighted areas. The vision was for municipalities to employ this tool to promote economic development and ultimately increase their municipal tax bases.

Neither the existing statute nor SB 87 requires municipalities to provide tax incentives for the redevelopment of deteriorated properties. Municipalities must by ordinance "opt-in" if they wish to offer this tool to developers. Further, once a municipality opts-in, it retains the ability to evaluate project applications on a case-by-case basis. We believe this is important, giving municipalities the flexibility to address their own economic and housing redevelopment needs.

March 27, 2015

The Honorable Representative Kevin Meyer

Presently, optional tax incentives for the redevelopment of deteriorated properties are vastly underutilized because of technical problems with the current statute:

1. Currently, a residential property may be eligible to receive optional property tax abatement from a municipality if it is a "multi-unit residential property with at least eight residential units[.]" This language is ambiguous and has confused both municipal officials and developers. SB 87 would clarify that this requirement may be satisfied either at the time of application for exemption/deferral or at the time of the completion of the project for which an exemption or deferral is requested. This preserves the intended applicability of the statute to larger development projects that have broad community impacts while recognizing that those impacts are often likely to be realized after a project is completed.
2. SB 87 would also amend the statute to clarify that when a single entity owns multiple residential properties within one designated deteriorated area, those properties can be considered collectively to satisfy the statute's eight-unit minimum. This clarification provides greater flexibility to municipalities to craft incentives for larger redevelopment projects that meet their specific goals.

Again, thank you for your willingness to introduce SB 87. When passed, this legislation will promote economic development and further empower municipalities to address blight and deterioration in a locally-controlled manner.

Respectfully,



Kirk J. Rose
Executive Director,
Anchorage Community Land Trust



**Anchorage Office
Headquarters**
3801 Centerpoint Drive
Suite 200
Anchorage, Alaska 99503
907 562-6464

**Eagle River
Office**
16635 Centerfield Drive
Suite 103
Eagle River, Alaska 99577
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**Mat-Su Valley
Office**
865 N. Seward Meridian Pkwy.
Suite 200
Wasilla, Alaska 99654
907 376-2414

March 27, 2015

The Honorable Senator Kevin Meyer
State Capitol Room 111
Juneau, AK 99801

**SUBJECT: SB 87 – AN ACT RELATING TO THE OPTIONAL EXEMPTION FROM AND DEFERRAL
OF PAYMENT OF MUNICIPAL TAXES ON DETERIORATED PROPERTY**

Dear Senator Meyer:

I write today on behalf of Jack White Real Estate to express our strong support for SB 87 and to thank you for introducing the bill.

As you are aware, Alaska law gives municipalities the option of offering property tax incentives for the rehabilitation, renovation, demolition, removal, or redevelopment of deteriorated properties. The applicable statute, AS 29.45.050(o), was intended to create an optional tool that would allow individual municipalities to encourage innovative redevelopment strategies in their most blighted areas. The vision was for municipalities to employ this tool to promote economic development and ultimately increase their municipal tax bases.

It is important to also understand what the current law and SB 87 do NOT do. Neither the existing statute nor SB 87 requires municipalities to provide tax incentives for the redevelopment of deteriorated properties. Municipalities must by ordinance “opt-in” if they wish to offer this tool to developers. Further, once a municipality opts-in, it retains the ability to evaluate project applications on a case-by-case basis.

Presently, optional tax incentives for the redevelopment of deteriorated properties are vastly underutilized because of technical problems with the current statute:

1. Currently, a residential property may be eligible to receive optional property tax abatement from a municipality if it is a “multi-unit residential property with at least eight residential units[.]” This language is ambiguous and has confused both municipal officials and developers. SB 87 would clarify that this requirement may be satisfied either at the time of application for exemption/deferral or at the time of the completion of the project for which an exemption or deferral is requested. This preserves the intended applicability of the statute to larger development projects that have broad community impacts while recognizing that those impacts are often likely to be realized after a project is completed.



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2. SB 87 would also amend the statute to clarify that when a single entity owns multiple residential properties within one designated deteriorated area, those properties can be considered collectively to satisfy the statute's eight-unit minimum. This clarification provides greater flexibility to municipalities to craft incentives for larger redevelopment projects that meet their specific goals.

Again, thank you for your willingness to introduce SB 87. When passed, this legislation will promote economic development and further empower municipalities to address blight and deterioration in a locally-controlled manner.

Respectfully,

A handwritten signature in cursive script that reads 'Naomi Louvier'.

Naomi Louvier
President/Owner



3801 Centerpoint Drive, #200
Anchorage, AK 99503
(907) 273-7266– Phone | (907) 762-3189 or 562-5485- Fax

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Northern Bank Larry Cooper

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Professional Growth Systems William Darr

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Port of Anchorage Steve Ribuffo

RIM Architects Larry Cosh

State of Alaska, DCCED Jonathan Bittner

Ted Stevens Anchorage International Airport John Parratt

University of Alaska Anchorage Thomas Case

University of Alaska Board of Regents Mary Hughes

Visit Anchorage Julie Saupé

March 27, 2015

The Honorable Senator Kevin Meyer

State Capitol Room 111

Juneau, AK 99801

SUBJECT: SB 87 – AN ACT RELATING TO THE OPTIONAL EXEMPTION FROM AND DEFERRAL OF PAYMENT OF MUNICIPAL TAXES ON DETERIORATED PROPERTY

Dear Senator Meyer:

I am writing on behalf of Anchorage Economic Development Corporation (AEDC) in support of SB 87 and to thank you for introducing the bill.

As you are aware, Alaska law gives municipalities the option of offering property tax incentives for the rehabilitation, renovation, demolition, removal or redevelopment of deteriorated properties. The applicable statute, AS 29.45.050(o), was intended to create an optional tool that would allow individual municipalities to encourage innovative redevelopment strategies in their most blighted areas. The vision was for municipalities to employ this tool to promote economic development and ultimately increase their municipal tax bases.

It is important to also understand what the current law and SB 87 do NOT do. Neither the existing statute nor SB 87 requires municipalities to provide tax incentives for the redevelopment of deteriorated properties. Municipalities must by ordinance “opt-in” if they wish to offer this tool to developers. Further, once a municipality opts-in, it retains the ability to evaluate project applications on a case-by-case basis.

Optional tax incentives for the redevelopment of deteriorated properties are underutilized because of technical problems with the current statute:

1. Currently, a residential property may be eligible to receive optional property tax abatement from a municipality if it is a “multi-unit residential property with at least eight residential units[.]” This language is ambiguous and has confused both municipal officials and developers. SB 87 would clarify that this requirement may be satisfied either at the time of application for exemption/deferral or at the time of the completion of the project for which an exemption or deferral is requested. This preserves the intended applicability of the statute to larger development projects that have broad community impacts while recognizing that those impacts are often likely to be realized after a project is completed.

2. SB 87 would also amend the statute to clarify that when a single entity owns multiple residential properties within one designated deteriorated area, those properties can be considered collectively to satisfy the statute’s eight-unit minimum. This clarification provides greater flexibility to municipalities to craft incentives for larger redevelopment projects that meet their specific goals.

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Northern Air Cargo Sami Glascoff
Northrim Bank Larry Cooper
Pacific Northwest Regional Council of Carpenters Scott Hansen
Premiera Blue Cross Blue Shield of Alaska Lynn Rust Henderson
Professional Growth Systems William Dann
Providence Alaska Medical Center Kirsten Schultz
Stantec Timothy Vig
The Wilson Agency, LLC Lon Wilson
Totem Ocean Trailer Express Grace Greene
Walsh Sheppard Jack Sheppard
Weidner Apartment Homes Gregory Cerbara
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House Representatives Pending

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Mayor Dan Sullivan
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AT&T Alaska Chris Brown
Chugiak-Eagle River Chamber of Commerce Susan Gristle
Delta Air Lines Tony Gancho
Girdwood 2020 Diana Stone Livingston
KeyBank Brian Merland
Lynden & Past Chairman of the AEDC Board Dennis Mitchell
Municipal Light & Power
Port of Anchorage Steve Ribuffa
RIM Architects Larry Cash
State of Alaska, DCCED Jonathan Britner
Ted Stevens Anchorage International Airport John Parrish
University of Alaska Anchorage Thomas Case
University of Alaska Board of Regents Mary Hughes
Visit Anchorage Julie Saube

Your willingness to introduce SB 87 is a significant step and, when passed, this legislation will boost AEDC's initiative to make Anchorage the number one city in America to live, work and play by 2025. This legislation affects two main areas of focus being undertaken by the initiative, Housing and Creative Placemaking. The economic development outcomes from this legislation will help the state as well as further empower municipalities to address blight and deterioration in a manner that is best suited at the local level.

Sincerely,



Bill Popp

President & CEO
Anchorage Economic Development Corporation



March 31, 2015

Senator Kevin Meyer
Senate President
Alaska State Legislature

Dear Senator Meyer,

I am writing to thank you for introducing SB87 which clarifies an unclear section of state law regarding multi unit residential development in areas declared to be deteriorated properties by municipal governments. We fully endorse your bill.

This issue has come up in the deteriorated area designation by the Municipality of Anchorage in the Fairview neighborhood. The intent of the current statute seems clear, which is to encourage higher density housing developments on deteriorated properties, but the statute focuses on the existing properties rather than on the finished construction of 8 or more units which could include more than one parcel of land.

We have discussed this with developers, and although the intent of the statute seems clear, they are reluctant to make investments until they are sure their developments will qualify under the statute.

The tax abatement tool is an important one for communities wanting to redevelop challenged areas and improve the availability and quality of their housing stock. Your bill will help make this happen.

Sincerely,

Heidi Heinrich
Chairman of the Board
Fairview Business Association

The Bellingham Herald

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Verdict in: Tax break for housing developers works

By TACOMA NEWS TRIBUNE

The News Tribune October 11, 2013

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Court 17 apartments at Court C and South 17th streets, built using Tacoma's tax abatement incentive, cater to University of Washington Tacoma students.

STAFF FILE PHOTOT

It's always nice — and a bit surprising — when a tax break works as advertised.

Tacoma's tax abatement for multi-family housing construction in select neighborhoods seems to be doing just that.

The state law behind it allows cities and counties to offer an eight- to 12-year exemption from property taxes on newly built apartments and condominiums in districts starved for development.

The incentive is designed to jump start construction projects that might otherwise not happen. In theory, the city isn't giving up tax revenues, because the revenues wouldn't exist unless the projects materialized in the first place. After eight years (12 if the building offers low-income housing), the money rolls in. In the meantime, the developer still pays tax on the underlying land.

The long tax holiday was controversial when the city began deploying it on a large scale in the early 2000s. Some critics offered what might be called an Occupy Wall Street argument: It helped people who had money, so it had to be bad.

But now that the buildings are coming on the tax rolls, all Tacomans — not just developers — are benefiting from the larger tax base. The incentive helped launch the creation of 2,550 new housing units; next year alone, \$48.8 million worth of exempted construction will be paying taxes for the first time.

The city staff estimates that by 2018, when the first round of projects will have lost their exemptions, Tacoma's property tax collections will have jumped by \$6.1 million.

That money can be used for public safety, streets, libraries and other broad needs. To the extent it wouldn't have existed without the program, it's pure profit.

It also serves other priorities, such as relief for distressed business districts and higher population density for the

environment's sake.

Tacoma's successful experience should be valuable for other local governments. Pierce County has used the exemption to help launch the \$20 million Garfield North near Pacific Lutheran University. University Place is contemplating using it to encourage a second mixed-use complex in its long-stagnant Town Center.

Town Center could be an excellent candidate for the program. The City of University Places owes about \$50 million on the property and related infrastructure. It desperately needs the taxes from private development would provide. But it won't see a dime from a housing project unless it actually gets built.

As Tacoma has now demonstrated, a temporary tax boon to developers is an option that can pay off for entire communities.

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PEACH INVESTMENTS, LLC

March 31, 2015

The Honorable Senator Kevin Meyer
State Capitol Room 111
Juneau, AK 99801

RE: Senate Bill 87 – “An Act relating to the optional exemption from and deferral of payment of municipal taxes on deteriorated property”

Dear Senator Meyer:

I am reaching out to you today on behalf of our family company, *Peach Investments LLC*, as the owner of a number of properties in Anchorage and a committed stakeholder in our city's long-term economic success, to express our strong support for Senate Bill 87, and to thank you for introducing this bill.

Our company has continue to experience the challenges of transforming deteriorated properties and the high cost of property development and construction in Anchorage. We support SB-87 and the opportunities it creates for the Alaska communities: to foster revitalization of aging properties; to bring new investments to downtown Anchorage and other older neighborhoods; and to create robust public-private partnerships with businesses like ours who are committed to making this “long term” investment in Alaska's economic future.

As stated in AS 29.45.050(o), Alaska law enables municipalities to offer property tax incentives for the rehabilitation, renovation, demolition, or redevelopment of deteriorated properties. The intent of granting temporary tax abatement for deteriorated properties is to give municipalities an *optional* tool to encourage innovative redevelopment projects in blighted areas that are not attractive nor financially feasible to private development. Municipalities can choose to employ this tool to incentivize development in certain neighborhoods or designated areas by providing a mechanism to pay for public infrastructure upgrades so desperately needed in these areas, and to ultimately increase the municipal tax base when these properties are redeveloped for more desirable uses.

This tool also provides a significant opportunity for our municipality, but not a mandate, to attract good, visible development in our community. Neither the current law nor SB-87 places any requirement on a municipality to use deteriorated property tax abatements, and each redevelopment project proposed under this scheme may be evaluated (and specific exemptions granted) on a case-by-case basis.

While the optional tax abatement for redevelopment has been available in Anchorage for several years, it has not often been used nor been fully available to property owners of deteriorated properties. As a developer, I know many of my colleagues would agree that it can be very difficult

March 31, 2015

to even qualify a clearly-deteriorated property for a redevelopment project, due to some of the technical issues in existing statute, which SB-87 seeks to address:

- As currently written in statute, residential property may be eligible to receive optional property tax abatement if it is a "multi-unit residential property with at least eight residential units" This language is ambiguous and confuses municipal officials and developers. SB-87 clarifies that this requirement may be satisfied either at the time of application for abatement, or upon completion of the proposed project. This preserves the intended applicability of the statute to larger development projects that have broad community benefit, such as promoting development of more housing in established neighborhoods, but recognizes that those benefits are likely to be realized after a project is completed.
- SB-87 also amends the section to clarify that when a single entity owns multiple residential properties within a designated deteriorated area, those properties can be counted collectively to satisfy the eight-unit threshold. This provides flexibility to municipalities to craft incentives for larger redevelopment projects that meet their specific goals. It provides incentives for private developers to consider innovative, multi-site projects which have potential to transform a neighborhood and catalyze other investment in the area.
- One word can make a big difference. Current statute AS 29.45.050(o)(2) allows a property to qualify as deteriorated if it "has a structure on it not less than 15 years of age that has undergone substantial rehabilitation, renovation, demolition, removal, or replacement." Because a deteriorated property has generally become deteriorated because it has *not* undergone any renovation efforts, this wording is either an error in the original language, or creates a much higher threshold for qualifying, and cost burden on its owner, for a property that is currently unattractive or financially prohibitive to invest in. Adding the word "not" will qualify these older properties that have become deteriorated because they are no longer sensible investments.

Lastly, I want to thank you again for your willingness to introduce SB-87. Municipalities like Anchorage and businesses like ours have a shared interest and common goal in making good development happen: it serves the community need for housing and commerce, and supports positive, long-term investment in our city. Municipal tools such as tax abatement, vastly improved by this legislation, will empower local governments to partner with the private sector to ensure property development occurs where and how it is most needed in the community.

Respectfully,

Derrick Chang
Peach Investments, LLC
Owners Rep



PO BOX 93288
ANCHORAGE, AK 99509-3288
PHONE: (907) 561-7780 • FAX: (907) 561-6699

§ 12.35.005. Definitions

- The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Deteriorated area means an area within boundaries designated by ordinance which meets one or more of the following criteria: unsafe, unsanitary or overcrowded buildings; environmentally contaminated; vacant, overgrown and unsightly lots of ground; a disproportionate number of tax delinquent properties; excessive land coverage; economically or socially undesirable land uses. Property adjacent to areas meeting these criteria, but which would not otherwise qualify, may be included within the deteriorated area designated in the ordinance if the assembly determines that new construction on such property would encourage, enhance or accelerate improvement of the adjacent deteriorated properties.

Deteriorated property means real property that, at the time of application, is commercial property not used for residential purposes or that is multi-unit residential property with at least eight residential units, and that meets one of the following:

1. Within the last five years, has been the subject of an order by a government agency requiring environmental remediation of the property or requiring the property to be vacated, condemned or demolished by reason of noncompliance with laws, ordinances or regulations; or
2. Has a structure on it not less than 15 years of age that has undergone substantial rehabilitation, renovation, demolition, removal or replacement; or
3. Is located in a deteriorating or deteriorated area with boundaries that have been determined by the municipality after a public hearing.

Economic development property means real or personal property, including developed property conveyed under 43 USC 1601—1629e (Alaska Native Claims Settlement Act), that:

1. Has not previously been taxed as real or personal property by the municipality;
2. Is used in a trade or business in a way that:

- a. Creates employment in the municipality directly related to the use of the property;
 - b. Generates sales outside of the municipality of goods or services produced in the municipality; or
 - c. Materially reduces the importation of goods or services from outside the municipality; and
3. Has not been used in the same trade or business in another municipality for at least 12 months before the application for deferral or exemption is filed.

Qualified inventory means personal property subject to taxation and consisting of goods held for sale and intended for export outside the state.

Rehabilitation means repair, replacement, construction or reconstruction, including alterations and additions, having the effect of rehabilitating a deteriorated property so that it becomes habitable or attains higher standards of safety, health, economic use or amenity, or is brought into compliance with laws, ordinances or regulations governing such standards. Ordinary upkeep and maintenance shall not be deemed rehabilitation.

(AO No. 2002-103(S), § 1, 8-6-02; AO No. 2004-116(S-1), § 1, 9-8-04; AO No. 2009-74(S-1), § 1, 2-16-10)

Brittany Hutchison

From: Edra Morledge
Sent: Tuesday, March 31, 2015 1:22 PM
To: Brittany Hutchison
Subject: FW: 8-Unit Threshold

Here is the answer I received about the 8-unit requirement – which is kind of what I was trying to ramble on with!

From: Gabriel Layman [mailto:GLayman@cookinlethousing.org]
Sent: Tuesday, March 31, 2015 1:19 PM
To: Edra Morledge
Subject: RE: 8-Unit Threshold

Nobody know why there is an eight-unit requirement. We speculate that the requirement was intended to limit the application of the tax incentives to larger projects that would have greater impact and to avoid situations in which builders of single-family homes or duplexes sought tax abatement for their smaller projects in deteriorated communities. Frankly, there were many here in Anchorage that urged us to propose dropping the eight-unit requirement to four units, but we did not want to overreach in our proposal.

Deteriorated property is defined in the statute. In fact, the primary purpose of SB 87 is to clean-up the existing, confusing definition of deteriorated property toward the end of AS 29.45.050(o). SB 87 would clarify that deteriorated property is property that, either at the time of application or at the time of project completion is either:

1. Any residential property located in a municipally determined “deteriorated area” (which is identified by ordinance), so long as the property is owned by an entity that owns multiple properties in the deteriorated area with eight or more units in total; or
2. Any commercial property that is not used for residential purposes or residential property with eight or more unit that meets one of the following:
 - a. Has been subject of a government order requiring the property to be vacated, condemned, or demolished within the last five years;
 - b. Has a structure on it that is 15 years old or older that has not undergone substantial rehab or renovation;
OR
 - c. Is located in a municipally determined “deteriorated area” (which is identified by ordinance)

Hope this is helpful. It's a complicated statute that can be confusing as hell. That's part of the reason it isn't working.

Gabriel D. Layman

Executive Vice President & General Counsel

Cook Inlet Housing Authority

907.793.3004 (direct)

From: Edra Morledge [<mailto:Edra.Morledge@akleg.gov>]

Sent: Tuesday, March 31, 2015 1:09 PM

To: Gabriel Layman

Subject: 8-Unit Threshold

Gabe,

What is the reason for having to have eight units? Is it just an arbitrary number chosen in order to target larger developments?

How is "deteriorated property" defined? Who determines it?

Edra Morledge

Staff to Senator Meyer

Capitol Building

Juneau, AK 99801

(907) 465-4945 Phone

(907) 465-3476 Fax

edra.morledge@akleg.gov