

	Presented
Date Action Taken:	8.25.14
Other:	
Verified By:	K.M.H.

CITY COUNCIL INFORMATIONAL MEMORANDUM

IM No. 14-16: Additional information from City Staff regarding the recommended sale of Meta Rose Square in AM No. 14-39.

Originator: Planning Department

Date: 8/15/2014

Agenda of: 8/25/2014

Route to:	Department Head	Signature	Date
X	Public Works Director		8/15/14
X	Finance Director		8-18-14
X	Deputy Administrator		8/18/14
X	City Clerk		8.18.14

Reviewed by Mayor Verne E. Rupright: _____

- Attachments:** City of Wasilla Downtown Area Plan excerpts (8 pages)
 City of Wasilla Comprehensive Plan excerpts (7 pages)
 Planning Commission Resolution Serial No. 13-04 (2 pages)
 Staff Report to Planning Commission (2 pages)
 Attorney Report regarding sale of Meta Rose Square Building (4 pages)
 Meta Rose Square Building – Data Spreadsheet (1 page)

Summary Statement:

The question of whether to sell the Meta Rose Square building has come before the City Council numerous times over the last year and a half. The primary justification for the need to sell the building has been that the City doesn't need the building for a library and that the City is in direct competition with other retail property management entities if it continues to own and commercially lease the building. However, the information below explains in more detail how it is not a conflict and also identifies the potential benefits to the public if the City retains ownership and/or waits a few years to sell the building. The three main benefits include: (1) the potential for a higher sales price once the Main Street Couplet is finished due to frontage on a major roadway through the downtown area; (2) the City's ability to utilize the unique opportunity provided by ownership to take an active role in revitalizing the downtown area, which is consistent with the desires of the city residents and adopted in the Downtown Area Plan and Comprehensive Plan; and (3) the continued generation of \$80,000 to \$120,000 in annual net profit from the lease of the building that can be utilized to enhance services and the quality of life of the city residents. Outlined below is a more in-depth summary of the information mentioned above, which should be considered by the City Council before making a decision to sell or retain ownership of the building.

Overview:

In February 2013, the subject of whether to sell the Meta Rose Square building was considered at the City Council meeting and it has been brought up again at several other meetings. The primary justification provided for selling the building was that the City was in direct competition with private sector property management entities and that the building is not needed for a library. Each time the City Council considered the matter, staff provided information outlining the benefits of keeping the building, including a recommendation from the Planning Commission that the City retain ownership until the city identified uses that are consistent with the Downtown Area Plan that will help create a vibrant, revitalized downtown.

Most recently, a local attorney was retained to prepare a report outlining what the City Council should consider when deciding whether to sell the Meta Rose Square building. The report addressed the concerns about leasing commercial space was in direct competition with private sector property management entities. She clarified that the City is authorized to retain the property and continue to lease it if it serves a municipal purpose that is in the public interest (e.g. using the property as a keystone property to implement the Downtown Area Plan and Comprehensive Plan.). She also provided information on the pros and cons of selling or retaining the building and the City’s ability to add conditions to the sale of the property.

It should be noted that City ownership of this particular building provides an incredibly unique opportunity to the City and city residents. Retaining ownership of this building in such an ideal location in the downtown core, gives the City the ability to take an active role in creating a vibrant and thriving downtown area. The City’s ability to choose the type of businesses that can lease space in the building allows the City to affect a positive change by leasing to businesses that will stimulate interest in shopping, visiting, and encourage new investment in the downtown area.

However, to date, the City Council has not had any detailed discussion regarding the pros and cons of selling the building versus retaining ownership. This discussion is needed to determine if the sale or continued lease of the building “...would be in the best interest of the public...” as required in WMC 5.32.010. At a minimum, it should consider whether the sale or continued leasing is consistent with the City Comprehensive Plan and recently adopted Downtown Area Plan. Both of these plans direct the City to identify ways to revitalize downtown and make it a more vibrant and walkable area and to encourage economic development.

To assist the City Council with that decision, the following background information and breakdown of the pros and cons is provided for the consideration and discussion. The intent is to provide a concise comparison of the pros/cons of selling or retaining the building and identify which action is most beneficial for the city residents in both the short-term and long-term.

Financial Information:

Purchase Date: January 2010
Purchase Price: \$1,500,000
Total Square Footage (SF): 20,429 SF (1st floor-14,340 SF; 2nd floor-2,765 SF; Basement-3,324 SF)

Meta Rose Square Building Property Value Information			
Tax Year	Assessed Value	Taxes Assessed	Net Lease Income
2014	\$1,867,400	\$21,758.95	FY 14 - \$24,686.17 (to date)
2013	\$1,867,400	\$22,113.75	FY 13 - \$134,977.04
2012	\$1,902,000	\$22,179.22	FY 12 - \$81,705.68
2011	\$1,913,500	\$20, 985.36	FY 11 - \$78,147.40
2010	\$2,001,300	\$23,587.32	FY 10 - \$40,726.48 (partial year)
2009	\$2,032,800	\$23,783.76	N/A – Did not own building

Breakdown of pros and cons to consider before selling the Meta Rose Square Building:

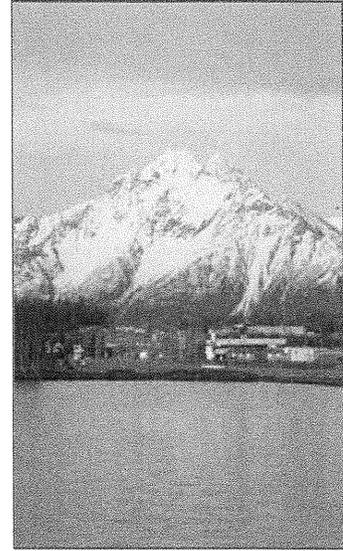
SCENARIO 1 – IMMEDIATELY SELL THE META ROSE SQUARE BUILDING.	
Pros	Cons
Profit from the sale goes toward new library costs allowing sales tax to sunset early. (Note: This could also be considered a con since, as currently structured, Borough residents pay the majority of the higher sales tax that is used to pay for the new library. It appears appropriate that they pay the higher sales tax to construct the library since they make up approximately 80% of the library users.	Eliminates commercial space available to start-up businesses and other businesses that should be encouraged to move into downtown to enhance the economic vitality and attractiveness of the downtown area.
	No additional revenue source to replace \$80,000 - \$100,000 annual rental income in annual budget.
	Lower selling price due to current market conditions and less desirable road frontage on secondary local roads.
Initial purchase price put back into City funds and available for city projects.	Establishment of uses that are inconsistent with Downtown Area Plan and Comprehensive Plan; uses will be grandfathered when Downtown Overlay adopted.
Removes City from commercial property management business.	Demolition of existing building will require rebuilding to current setback and parking requirements, which is inconsistent with downtown standards that will be adopted in Downtown Overlay Zoning District.

SCENARIO 2 – RETAIN OWNERSHIP UNTIL THE DOWNTOWN OVERLAY ZONING DISTRICT AND THE MAIN STREET COUPLET IS IN PLACE.	
Pros	Cons
Continued net income of \$80,000 - \$100,000 from leases, which can provide services and improve the quality of life for city residents, including improvements to downtown streetscape and appearance.	City continues to be in commercial property management business.
Higher sales price due to optimal street frontage on Main Street Couplet vs. current local road.	
Ensures future uses and buildings are consistent with the Downtown Area Plan, Downtown Overlay District, and Comprehensive Plan.	
Availability of suitable sized space and cost for start-up and “niche” businesses. Serves as an “incubator” for small businesses.	

SCENARIO 3 – RETAIN OWNERSHIP INDEFINITELY.	
Pros	Cons
Continued net income of \$80,000 - \$100,000 from leases, which can provide services and improve the quality of life for city residents.	City continues to be in commercial property management business.
Option to utilize building for artist/craft/tourist related businesses, which generates interest in being downtown, stimulates economy and vitality, and encourages additional development investment in downtown.	
Ability to offer reasonable rents and size suitable for start-up and “niche” businesses. Serves as an “incubator” for small business entrepreneurs.	
Ensures future uses and buildings are consistent with the Downtown Area Plan, Downtown Overlay District, and Comprehensive Plan.	
Rental income could be used to fund downtown improvements.	
Allows City to retain control over tenant mix to ensure appropriate type and mix needed to stimulate interest and encourage redevelopment in the downtown. This is consistent with the Downtown Area Plan and Comprehensive Plan since they both encourage utilizing city-owned property to incentivize downtown redevelopment and revitalization.	

Area Vision Summary

In a community plan, a vision is a positive outcome or an ultimate condition that a community desires to move toward. It may build upon community strengths and address community weaknesses. The vision is a significant aspect of a community plan because it is an expression of local desires for quality of life and future development, which will guide residents, land owners, and City decision-makers. The vision should inspire and motivate the community to achieve their picture of the future. It should be used as a filter for future development proposals. When new development is considered, decision-makers and residents will need to ask the questions, “*Does this fit with our stated vision?*” “*Will this help us to achieve our vision?*” “*Are modifications needed?*”



The following vision was developed for the downtown planning area of Wasilla. The vision is elaborated upon further in Section 2: Vision.

Downtown is the cornerstone of Wasilla’s small town charm. It is a community crossroads where neighbors and friends stop to say hello and chat for a while at local businesses and parks. Residents congregate at the grocery store, the post office, parks, and plazas. Downtown is a center of public services, arts, and education. The community character that attracts people is maintained and enhanced. Residents value the quality of life and community bonds that flourish here.

Overview of Issue, Goals, and Objectives

Community members helped identify assets and challenges for the downtown planning area throughout the planning process by taking part in various exercises in public workshops and meetings, focus group sessions, and written comments. These exercises assisted the planning team to identify issues for the areas, goals for future conditions, and objectives to achieve the goals. This area plan provides summary tables for the area, organized by category. Issue categories included:

- community character
- land ownership, platting, and zoning
- economic development
- recommended land uses
- infrastructure
- transportation and connectivity
- funding



The tables, found in Section 3: Issues, Goals, Objectives, also identify potential leads and/or participating partners for initiating actions or strategies to accomplish objectives and achieve associated goals.

Overview of Plan Elements

Section 4: Plan Elements expand upon the goals and objectives identified for each area. Plan elements include land use, economic development, transportation and circulation, and public facilities and utilities. Each plan section addresses planning considerations, goals, and recommendations for implementing the Wasilla Area Plans.

LAND USE RECOMMENDATIONS include:

- design standards to establish an identity
- promoting infill development
- making changes to the zoning code to facilitate development
- establishing a land bank to manage parcels for future targeted land uses
- developing partnerships to achieve challenging goals
- developing and revising plans to address changing needs of the community
- evaluate City annexation options to reduce future land use conflicts
- improving public communication
- establishing committees and programs to involve citizens in implementation

ECONOMIC DEVELOPMENT RECOMMENDATIONS include:

- establish economic development incentives, such as tax abatements or deferrals, variances, business improvement districts, partnerships, and others
- establish economic development projects and programs
- improve public communication and support
- evaluate City annexation options to retain future economic development options

TRANSPORTATION AND CIRCULATION RECOMMENDATIONS include:

- continue traffic planning for the community
- climate-sensitive design
- design for pedestrian access and multi-modal transportation
- evaluate the feasibility of public transportation options
- improve parking options and aesthetics
- utilize zoning to cluster heavy transport and freight facilities in the City
- preserve rural character of the community and enhance aesthetics in transportation projects



PUBLIC FACILITIES AND UTILITIES RECOMMENDATIONS include:

- improve barrier free access to public facilities; incorporate universal design standards
- conduct facilities inventory
- implement action items from existing plans
- identify utility expansion priorities to facilitate development

Overview of Implementation

Follow-through with implementation action items determines the success of a plan. To achieve the goals and objectives articulated for the downtown area, there must be a comprehensive understanding of the implementation tools and mechanisms. In addition, the community must identify:

1. Actions and projects to accomplish
2. Lead and supporting partner and individuals
3. Timeframe for completion of actions and projects
4. Annual review process

Implementation tools and mechanisms are outlined in the plan, as well as actions and responsibilities (Section 5: Implementation Tools and Mechanisms).

Overview of Funding Sources

To achieve the visions outlined in the Downtown Area Plan, the City may have to explore new avenues of funding to implement priority projects. A summary table of potential federal, state, and private funding sources was assembled to assist the city with the task of identifying potential options (Section 6: Funding Recommendations and Potential Funding Sources.) The state also produces an Economic Development Resource Guide which lists funding options for municipalities. In addition, the Alaska Department of Commerce, Community and Economic Development (DCCED) – Division of Investments and the Alaska Industrial Development and Export Authority provide loans and assistance to small businesses.

ISSUE	GOAL	OBJECTIVE(S)/POLICY(IES)	SCHEDULE	COST	RESPONSIBLE PARTY
Community Character (CC)					
1. Downtown Wasilla lacks a distinct identity. The boundaries are unclear. 2. The appearance of Downtown Wasilla needs to be improved, capitalizing on the historical elements.	A. Create an attractive identity for Downtown that complements Wasilla's natural setting and history.	i. Institute design standards such as signage, lighting, and accommodate winter design factors.	Short-term	<\$100,000	City of Wasilla Planning Department
		ii. Include pedestrian-oriented landscaping standards into a Downtown overlay zoning district such as using evergreen trees lining sidewalks to distinguish the area.	Mid-term	<\$100,000	City of Wasilla Planning Commission Wasilla City Council
	B. Promote downtown as a center of public and education services, supported by mixed commercial and residential use.	iii. Consider establishing a "Gateway Program/Committee" (primary responsibility is to plan, design, and implement improvements for wayfinding stations and gateway entrances).	Short-term	<\$100,000	Gateway Committee* Downtown Revitalization Committee*
		iv. Consider establishing a Downtown Revitalization Committee and Public-Private Partnerships to develop the character of Downtown Wasilla, design projects to achieve the character, and implement improvements.	Short-term	<\$100,000	Public-Private Partnerships* Matanuska-Susitna Convention and Visitor's Bureau Civic Groups (including art and history)
		v. Develop visual cues to identify gateways and sub-districts, such as entry kiosks, wayfinding stations, thematic landscape design, and signage.	Mid-term	\$100,000 - \$500,000	
		vi. Capitalize on existing facilities to develop plazas and community gathering places.	Long-term	<\$100,000	
		vii. Encourage use of design themes through incentives such as variances from requirements, expedited permit processing, tax abatements, and loan programs.	Long-term	<\$100,000	
		viii. Explore zoning areas by building type, rather than use to achieve aesthetic objectives but allow for flexibility in mixed use districts.	Long-term	<\$100,000	
		ix. Promote community events that support the identity and theme of the area to attract visitors and tourists.	On-going	<\$100,000	
		x. Create an educational program through a public-private partnership to promote Downtown's identity and theme.	Mid-term	<\$100,000	
					*Indicates an entity recommended to be established but not yet in existence

ISSUE	GOAL	OBJECTIVE(S)/POLICY(IES)	SCHEDULE	COST	RESPONSIBLE PARTY
Land Ownership, Platting, and Zoning (LO)					
1. Small lot sizes pose challenges to development.	A. Create larger, functional parcel sizes that accommodate development.	i. Create an overlay Downtown zoning district.	Mid-term	\$100,000 - \$500,000	City of Wasilla Planning Department
		ii. Work with the Matanuska-Susitna Borough to streamline the replatting process with regard to consolidation of small lots within the City of Wasilla.	Long-term	<\$100,000	City of Wasilla Planning Commission Downtown Landowners
		iii. Institute development incentives, such as replatting initiatives and business improvement districts.	Mid-term	\$100,000 - \$500,000	Matanuska-Susitna Homebuilders Association
		iv. Create a program where the City purchases available parcels to hold for potential replatting.	Long-term	>\$500,000	
					*Indicates an entity recommended to be established but not yet in existence

Form-Based Codes

- Form-based codes emphasize building types, design, and parking location versus land uses and density. This type of zoning can bring cohesiveness to an area, while allowing the owner to determine the use of the building. The community aesthetics are more stable throughout the years, while the uses may be quite dynamic.
- Districts define form-based codes, and there is an awareness of the relationship between multiple elements like roads, parking, neighborhoods, and retail corridors.

Overlay Zoning Districts

- An Overlay Zoning District would create a distinct district that delineates specific regulations within the current zoning boundaries. This zoning district can be arranged to protect certain resources (e.g., the historic town site), or promote a specific type of development in a particular area (e.g., community gathering places or tourist services).
- Overlay zoning districts should be created in Downtown to promote government office development and mixed use.
- Overlay zoning districts should include provisions requiring specific design, public art, or landscaping elements that contribute to the distinctiveness of the district.

PLATTING AUTHORITY

Platting configures parcels of land, either dividing or consolidating them.

- Downtown has several small vacant parcels that are difficult to develop because of the lot size. The City should coordinate with the Matanuska-Susitna Borough to identify ways to streamline the platting process for combination of these lots as an incentive to stimulate development.
- This would reduce the burden on the Matanuska-Susitna Borough and provide Wasilla with increased autonomy and increased efficiency with re-platting and development.

LAND BANK

A municipal land bank can be organized to work as a real estate arm of the City to consolidate land by purchasing and reselling key parcels that have been identified for targeted future land uses.

- The City should establish a land bank that serves as a repository for land with the intent that the parcels will later be disposed.
- The land bank can include and manage parcels of City land that are currently vacant.
- The land bank can also strategically purchase parcels that are too small for development but would be adequate if re-platted into larger parcels.
- Disposal or acquisition of land must be at fair market value and can occur by any method including outright sale or exchange.

Matanuska-Susitna School District

The School District is responsible for locating, planning, and constructing new school facilities, and for programming improvements to existing facilities. There are a number of recommendations

in Section 3 of this plan that should be considered by the School District.

Taxes, Fees, & Other Economic Incentives

The Matanuska-Susitna Borough can provide a number of economic development incentives, including tax deferrals and abatements, issuing revenue bonds and providing fast track permitting.

The City of Wasilla and the Matanuska-Susitna Borough should discuss potential uses of these tools to promote plan implementation.

Existing Tools and Mechanisms – State of Alaska

Transportation Capital Project Programming

State funding for major transportation projects is programmed through the State Transportation Improvement Program (STIP), and is usually

guided by recommendations from the City on their transportation priorities. The City should work with state transportation planners to incorporate plan recommendations into transportation priorities.

Property & Facility Investments & Decision

The State of Alaska makes decisions on the location and leasing of state office buildings, disposition and use of state properties. The City should work with

state facility planners to incorporate plan recommendations into facility decision-making.

New Tools and Mechanisms – City of Wasilla

Downtown Business Improvement District/Redevelopment Authority

Establishment of a Downtown business improvement district and/or Redevelopment Authority can provide a means of encouraging infill development and sharing the cost of infrastructure improvements. It can also help the City promote

catalytic development projects such as public office buildings and mixed use development complexes, and organize special events that bring people Downtown.

A Business Development District can be run as a voluntary association of a formal organization with bylaws. Typically, a formal business improvement district is funded by a special tax assessment, with revenues dedicated to supporting activities within the district. There are a number of models and guidelines that can be investigated should this be of interest to the City and Downtown property and business owners.

Municipal Land Bank & Revenue Bonds

Municipal Land Bank programs are used to acquire lands for a variety of public purposes, including lot acquisition and consolidation for public facilities or resale to private parties for development. Resale

could be used to encourage mixed use and higher density residential development. Options

for initial funding of land acquisition include an investment of general revenue funds, use of revenue bonds similar to those used by utilities, and state and federal grants. Ultimately, sale of lands under the program would cover the majority of program costs.

Gateway Committee Some communities form citizen committees to help develop community branding and tools for “way finding” – directing residents and visitors to community events, attractions, and facilities. This could be accomplished as a subcommittee to the Wasilla Chamber of Commerce, or as a special committee of the Parks and Recreation Commission or Planning Commission.

Actions and Responsibilities

Actions

Actions are projects undertaken to achieve the objectives. They can be monitored and evaluated for success. Specific implementation actions that have been recommended to address issues, goals, and objectives are presented in Section 3 of this document, and are listed as ongoing actions or short-term, mid-term, and long-term priorities.

Responsibilities

Responsibility for implementing actions is what makes a planning effort successful, and cannot fall to the City alone. Implementation will require a partnership between government (City, Matanuska-Susitna Borough, and state), businesses, community organizations, and landowners to attain the goals and objectives of this plan. Specific recommendations for implementation responsibility to address issues, goals, and objectives are presented in Section 3 of this document. It will take leadership among the recommended partners to convene a group to address the recommended policy actions.

Annual Review

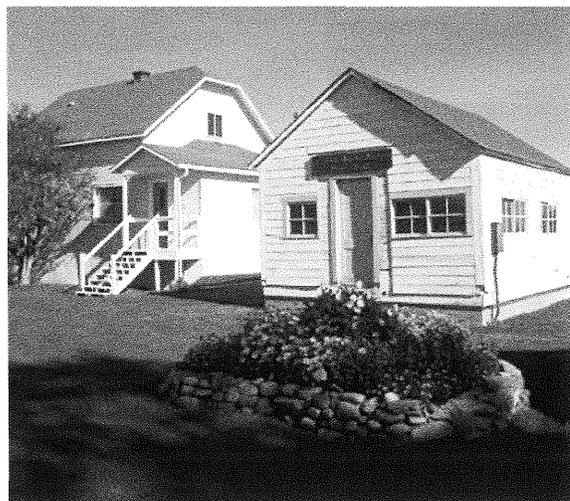
Monitoring progress of the Wasilla Downtown Area Plan is an important element of implementation. Each year, the plans need to be reviewed to recognize our progress on meeting our goals and objectives. The Planning Department will coordinate this annual review with all City departments, and as appropriate, with other entities that have been identified as a partner to accomplish the goals and objectives.

Chapter 5. Downtown

5.1 Current Conditions and Trends

What Downtown?

The City's Downtown does not have easily definable boundaries. Those not familiar with the City might wonder if there is a Downtown. For the purposes of describing the current conditions, the historic town site area is currently the "core" or heart of Downtown, surrounded by a larger area, which could eventually support a more defined Downtown (see Figure 7).



Wasilla's Original Post Office and Historic Town Site

Currently, Downtown has a variety of land uses including public facilities retail, housing, and offices. Public facilities include the historical museum and historic building complex, City Hall and offices, public library, parks, and the post office.

In 1917, a plat of small lots was auctioned off by the Alaska Railroad Commission, effectively creating what is now the Downtown district. From this beginning, a small crossroads commercial area has expanded east and west along the present Parks Highway to become the major commercial corridor of the Matanuska-Susitna Valley.

Until the population boom years of the last two decades, the City never had the opportunity to develop a traditional pedestrian-friendly mixed-use Downtown like older communities that grew during pre-automobile times. Instead, the recent period of growth followed the "suburban", highway-oriented development pattern classic to highway corridors in America. The original small lots of Downtown are not conducive to this development pattern and have been overlooked as development sites.

Creating a traditional town center is still possible for the City. The most important factor is that the market conditions are conducive for growth. There is significant room in the marketplace for retail, service and hospitality businesses.

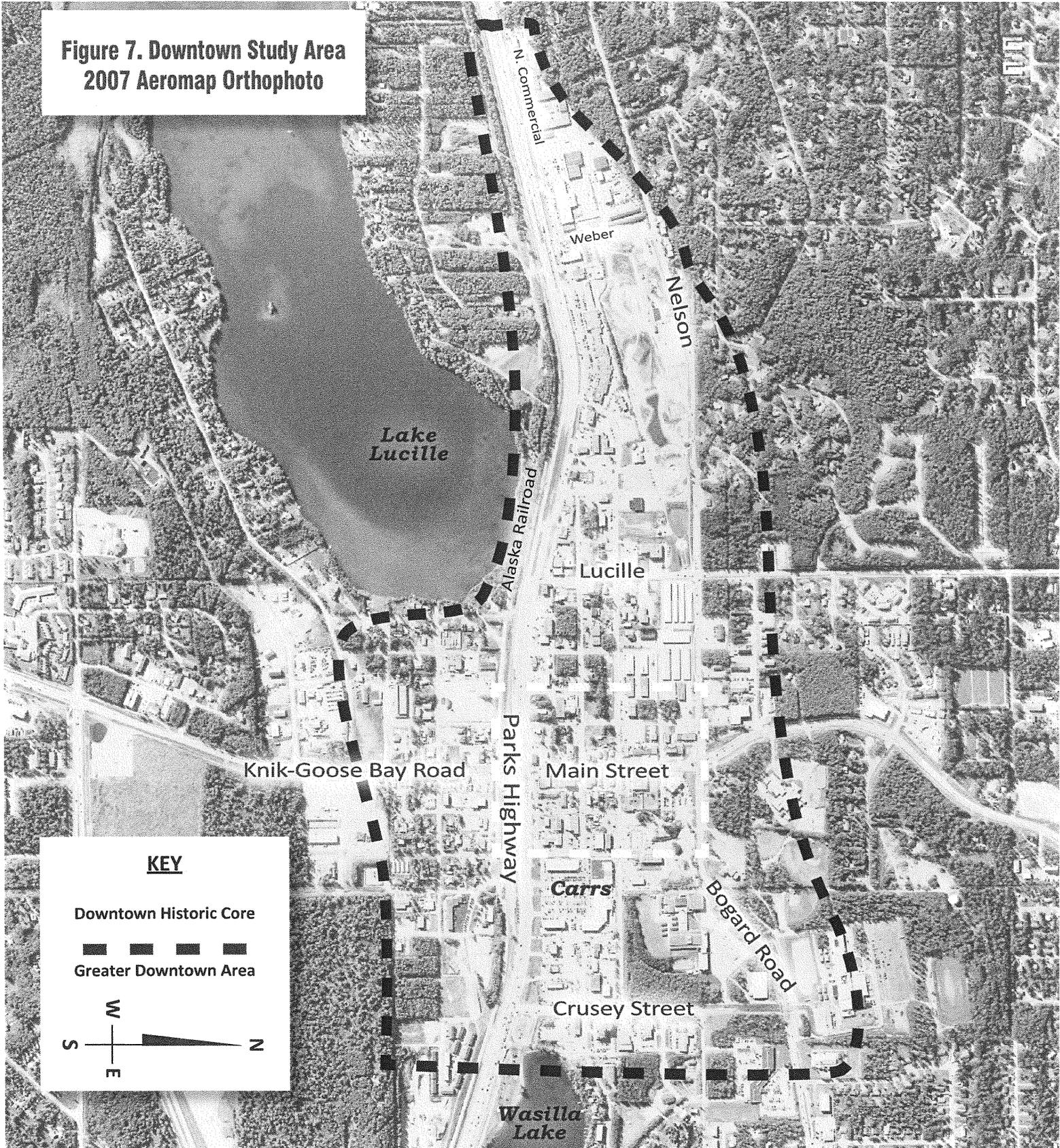
Remnants of the original fabric of the crossroads Downtown includes several historic structures, the museum, and historic town site complex, City Hall, and post office to serve as Downtown anchors. The existing small lot sizes can even become an asset for developing small businesses if the zoning codes are amended to enable commercial uses. At a minimum, revisions are needed to the minimum required setbacks and parking requirements.

Community Input

A week-long planning charrette was conducted for the City's Downtown in late October 2009. This included meetings with City officials, business leaders, walking tours, and three evening planning workshops with the public. In between meetings, concepts for the Downtown were sketched for presentation at the planning workshops.

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**Figure 7. Downtown Study Area
2007 Aeromap Orthophoto**



Current issues identified by workshop participants with Downtown include:

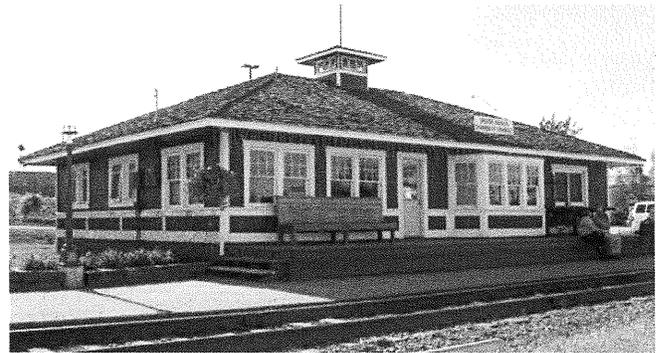
- Traffic congestion, especially related to vehicle stacking on Main Street for access to the Parks Highway.
- Poor pedestrian connectivity and a lack of sidewalks and crosswalks throughout the Downtown area.
- No identity as a Downtown district; looks like a strip mall and lacks personality.
- Appearance of buildings, streets, and sidewalks detract from economic development potential
- Lack of places to gather, learn, and enjoy arts and culture (need new Library and Valley Performing Arts Theater).
- Need a Downtown park as a gathering place and green area
- Need gateway entrances to town
- Identify Downtown boundaries

Opportunities identified by participants include:

- Market potential for growth
- Desire by the community to develop a vibrant Downtown
- Access and location
- Parks and open space

The planning charrette defined both the physical and built environment business owners and residents desired for Downtown. Rough sketches were produced during the charrette to communicate these ideas. These ideas would require extensive changes to the Downtown area. The concept plan features:

- **Pedestrian Focus:** Sidewalks should be constructed on both sides of all Downtown streets. Buildings are oriented to the sidewalk and street rather than parking lots and have minimal or no setbacks from the sidewalks. Crosswalks define safe pedestrian zones at intersections.



Several unique, historic and well-located buildings are already in place in the Downtown core, providing cornerstones for future development with a stronger identity.

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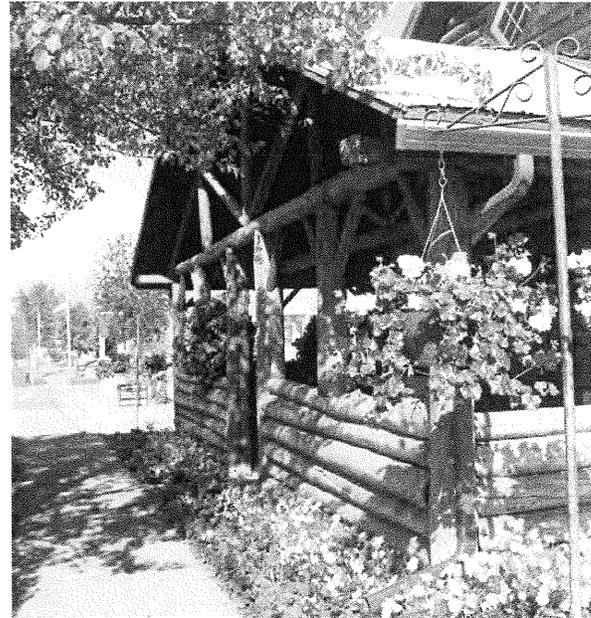


Major roadway projects, including a Yenlo and Main Street couplet system are needed to address Downtown's traffic issues at Main Street, Knik-Goose Bay Road, the railroad, and Parks Highway.

- **Improved Traffic Flows:** A one-way couplet should be constructed to improve traffic flows around Downtown. The Yenlo and Main Street couplet is a key project to move forward. On-street parking is essential for Downtown and must be included the project.
- **Town Square:** Residents liked the idea of a town square to add green space and a place for gatherings and celebrations in Downtown. There are two possible locations for the town square as shown in the concepts.
- **Building Form:** Two- and three-story commercial buildings should be developed in a zero lot line form, right up to the sidewalk. Private parking lots can be constructed in the rear of the buildings. Retail and service businesses should be located on the ground level, with office and residential use on upper floors. A 2009 Retail, Office and Lodging Study completed by the Gibbs Planning Group for this planning effort demonstrates that the City could add considerable retail, office and lodging development, some of which may be captured in the Downtown area.
- **Parking:** On-street parking throughout Downtown will serve to calm traffic and support business development. This will add a considerable parking inventory to Downtown and is sufficient for the development conceptualized. Additional parking may be located at the rear of buildings. Larger developments may require the construction of parking structures.
- **Landscaping:** Landscaped areas will add beauty and visual interest to Downtown. Gateway landscaping treatments at the intersections of Yenlo, Boundary and Main streets and the Parks Highway will attract attention to the Downtown.
- **Streetscape:** Clean, attractive sidewalks and pedestrian scale lighting fixtures will enhance the business district and appeal to pedestrians and shoppers. Fancy and expensive streetscape treatments are not necessary.

In October 2010 a final public meeting was held where residents were asked to articulate priorities for enhancing Downtown. Residents' input requested that the City focus at first in the core area of Downtown, and preserve and build on pre-statehood historical elements. Most residents expressed support for creating a "Main Street U.S.A" atmosphere, with some support for whole block re-development and taller structures in key locations to create more interest and energy Downtown.

As a tool for implementing what was envisioned in the charrette, this Plan recommends that the City and key Downtown interests explore "Overlay Zoning" to include land use provisions and specific design standards that are compatible with community needs. A general area to consider for the overlay is the Greater Downtown Area (see Figure 7).



Downtown sidewalks, on-street parking, and streetscape adds appeal for pedestrians and shoppers.

5.2 Desired Future Conditions

The City has a definable Downtown based around the historic town site with these attributes:

- It is pedestrian friendly, with sidewalks and crosswalks at street intersections.
- The area is attractive, with landscaping and good architecture that represents an Alaskan image and fits in with the spectacular natural surroundings.
- Downtown has convenient, on-street parking and easy access.
- Mixed uses are present, combining ground-level retail with office and housing in upper stories of buildings, as market conditions allow.
- The area is vibrant, attracting residents and tourists with a variety of specialty shops and activities, at all hours of the day and evening and in all seasons.

City of Wasilla Resident Opinions Regarding Downtown	
✓	Residents are generally supportive of "Redevelopment of the Downtown Area to strengthen its role as a town center": <i>33% residents - Very Supportive</i> <i>34% residents - Somewhat Supportive</i> <i>16% residents - Not Sure</i> <i>17% residents - Not Supportive</i>
✓	Many residents believe that Wasilla "should strengthen small city identity": <i>24% residents - Strongly Agree</i> <i>31% residents - Agree</i> <i>30% residents - Neutral</i> <i>10% residents - Disagree</i> <i>6% residents - Strongly Disagree</i>
✓	Residents have mixed views about "developing physical enhancements in the Downtown (e.g. gateways, streetscapes)": <i>24% residents - Very Supportive</i> <i>34% residents - Somewhat Supportive</i> <i>17% residents - Not Sure</i> <i>25% residents - Not Supportive</i>

Source: 2010 Community Survey (see page 1-4)

Chapter 5

5.3 Goals, Objectives, and Actions

Goal 1. Promote and encourage development and redevelopment within the Downtown area.

Objective	Actions
<p>1.1 Adopt land use policies that encourage a mix of land uses in the Downtown area that create and establish a more vibrant town center, create a gathering place for residents and visitors, and a focus for business and cultural activities.</p>	<p>1.1.1 Create a Downtown overlay zoning district that incorporates Wasilla’s historic center (see Downtown overlay concept map). Develop land use regulations and development standards that encourage new development/redevelopment, appropriate land use patterns, and a cohesive town center.</p> <p>1.1.2 Consider developing an incentive based policy or other solutions to help reduce lot fragmentation of potentially valuable commercial sites.</p> <p>1.1.3 Support developer’s efforts to reconsolidate Downtown lots for high-quality development that will enhance the historic Downtown district.</p> <p>1.1.4 Adopt land use policies that allow development of multi-story buildings with street-level commercial and office uses with upper-story residential units in the Downtown area.</p>
<p>1.2 Identify opportunities to develop civic investments that revitalize the Downtown area and reinforce its identity as an attractive civic center.</p>	<p>1.2.1 Support partnership approaches that leverage funding and community support to help build a new library, expanded Valley Performing Arts Theater, town square, streetscape, sidewalks, and lighting in the Downtown core.</p> <p>1.2.2 Design and improve Downtown streets to encourage walking, on-street parking, covered walkways, and additional curbs and gutters.</p> <p>1.2.3 Work closely with ADOT&PF on major road projects, including the Yenlo Street Extension/Main Street Couplet and the Parks Highway Alternative Route development, to ensure that roadway’s are upgraded to re-shape core area circulation for walkability, on-street parking, and to include streetscape design opportunities.</p>
<p>1.3 Improve pedestrian access in the Downtown area.</p>	<p>1.3.1 Work with roadway facility designers and community members to define basic functional and aesthetic parameters for streetscape improvements in the Downtown area.</p> <p>1.3.2 Dedicate city, state, and federal resources as available to developing Downtown’s streetscape infrastructure, including wide sidewalks and pedestrian amenities.</p> <p>1.3.3 Partner with Downtown business and property owners on improvement and management issues related to improving the Downtown pedestrian environment (parking needs, sidewalk upgrades, and regular snow clearing and maintenance).</p>

Goal 2. Build the partnerships and develop the community capacity required to transform Downtown.

Objective	Actions
2.1 Bring key stakeholders together to help mobilize implementation of a Downtown overlay zoning district.	2.1.1 Engage key stakeholders and involve them in creating and assisting with the implementation of the Downtown overlay zoning district, potentially through a Downtown Development committee.
2.2 Create public-private partnerships that can leverage resources to implement the Downtown overlay zoning district.	2.2.1 Encourage the creation of a business improvement district among core area businesses to supplement city services and invest in the Downtown’s maintenance, marketing, and the common improvements that help attract residents and visitors.



Wasilla’s business district in 1974 (aerial, above) was focused in a “node” at the major crossroads. Today, much of the main business activity has become linear in nature, and spread along the highway corridor, making it harder to identify Wasilla’s “Downtown.”

**WASILLA PLANNING COMMISSION
RESOLUTION SERIAL NO. 13-04(AM)**

A RESOLUTION OF THE WASILLA PLANNING COMMISSION RECOMMENDING THAT THE WASILLA CITY COUNCIL RETAIN OWNERSHIP OF THE META ROSE SQUARE PROPERTY LOCATED ON LOT 5A, BLOCK 1, FRED NELSON SUBDIVISION. GENERALLY LOCATED AT THE NORTHWEST CORNER OF HERNING AVENUE AND YENLO STREET.

WHEREAS, the Wasilla City Council adopted the updated Comprehensive Plan in 2011, which contains goals and objectives that will promote and encourage development and redevelopment in the downtown area and encourage a mix of land uses necessary to create a more vibrant downtown; and

WHEREAS, the City hired a consultant to prepare a Downtown Area Plan that is currently scheduled for approval by the Planning Commission on July 9, 2013; and

WHEREAS, the draft Downtown Area Plan recommends that the City create a land bank to purchase parcels as they become available to hold for potential re-platting of small lots and provide lots for sale to developers that will create projects that will encourage development and that will include a mix of uses needed to create an attractive and diverse downtown that will attract residents and visitors; and

WHEREAS, other cities and communities have successfully created programs to purchase lands within areas targeted for redevelopment and then offer them for sale via a request for proposal-type process to generate development is consistent with the adopted plans; and

WHEREAS, on July 9, 2013, the Wasilla Planning Commission held a public hearing on the proposed sale; and

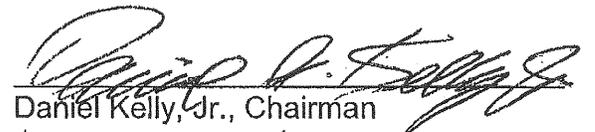
WHEREAS, the Wasilla Planning Commission deliberated on the proposed sale of the Meta Rose Square property; and

WHEREAS, the Wasilla Planning Commission finds that the proposed sale is in the best interests of the City but recommends that the City first obtain an opinion from a consultant determining the best future use of that area of the downtown as it relates to the City's Downtown Area Plan and Comprehensive Plan and then sell the property via an RFP process.

NOW, THEREFORE BE IT RESOLVED, that the Wasilla Planning Commission hereby recommends that the City of Wasilla retain ownership of the Meta Rose Square property and continue to lease the building until such time as the City identifies targeted land uses that are consistent with the Downtown Area Plan and will create a vibrant, revitalized downtown.

ADOPTED by the Wasilla Planning Commission on August 13, 2013.

APPROVED:


Daniel Kelly, Jr., Chairman
8/27/2013

ATTEST:


Tina Crawford, AICP, City Planner

VOTE: Passed Unanimously



CITY OF WASILLA

• Planning Office •

290 East Herning Avenue • Wasilla • Alaska • 99654-7091

• Telephone 907-373-9020 •

MEMORANDUM

DATE: July 2, 2013

TO: Wasilla Planning Commission

FROM: Tina Crawford, AICP, City Planner

RE: Proposed Sale of Meta Rose Square
290 N. Yenlo Street, Wasilla, AK - Tax ID#: 2523B01L005A
Lot 5A, Block 1, Fred Nelson Subdivision (Resub. Wasilla Townsite, Block 1E)

At the March 11, 2013 City Council Meeting, the Council approved Action Memorandum No. 13-07, which directs Administration to proceed with the sale of the Meta Rose Square property referenced above. The recommendation was to sell the property since it was originally purchased for use as a library but now competes with private sector retail property management entities since it is used as a commercial building.

The requirements for the sale of any city-owned land are contained in WMC 5.32, Sale or Lease of Public Lands (copy included in the packet). The Code allows the sale of property when the lands are "...not needed for, or devoted to, a municipal purpose...and in such case where such sale or lease would be in the best interest of the public" (WMC 5.32.010) and when "...Such sale or exchange is to the best interest of the city" (WMC 5.32.100.A.4). Sale of city land requires that the City Council approve an ordinance that identifies the parcels for sale, the manner of disposition, and any special terms and conditions. However, prior to adoption of an ordinance, WMC 5.32.060(B) requires that Planning Commission review the proposed sale and make a recommendation to the City Council regarding the proposed sale prior to the Council approving an ordinance.

In determining whether the sale of the property is in the best interest of the public and that the property is not needed for a municipal purpose, staff reviewed the 2011 City of Wasilla Comprehensive Plan and the draft Downtown Area Plan. Both of these documents clearly outline the resident's desire for a revitalized downtown that is walkable and contains a mix of land uses. The draft Downtown Area Plan specifically described the need for a City land bank so the City can purchase properties to incentivize development in the downtown area. Incentives can include re-platting several small lots into larger lots, improving infrastructure on or around the site, financing the sale of the property, etc.

Land bank-type programs have been successfully used by other cities and communities to purchase land and buildings within areas that are targeted for redevelopment (e.g. downtown, neighborhoods, blighted areas) and then offer them for sale to potential developers. The sales are handled as part of a Request for Proposal (RFP) or similar process, which requires the developer to provide information on the proposed project, including architectural drawings and the proposed use of the property, and that the proposed structure and/or uses are consistent with adopted area plans. Copies of news stories, RFPs, and information describing the development/re-development requirements that must be met in order to purchase the properties are included in this packet.

The Meta Rose Square property is in an ideal location to serve as a catalyst for future development and improvements in the downtown area. Prior to the sale of this property and any other properties in the downtown area, the City should have a consultant prepare a detailed future development plan for the downtown area and an updated market analysis to determine the best mix of uses needed to create a vibrant downtown. Then, city-owned properties in the downtown area can be offered for sale via the RFP process to help stimulate growth and redevelopment in the downtown area.

Based on the City's desires to redevelop and revitalize the downtown area as codified in the Comprehensive Plan and draft Downtown Area Plan, staff is requesting that the Planning Commission approve Resolution Serial No. 13-04, which recommends that the City Council retain ownership of the Meta Rose Square property at this time.

CAMERON SHARICK

LIMITED LIABILITY COMPANY

POSTAL
167 PARK AVENUE
WASILLA ALASKA 99654
USA

AREA CODE 1907
VOICE 376 3239
FACSIMILE 373 6883
DATA 376 3236

REPLY EMAIL
csharick@gci.net

LAWYER

June 12, 2014
Archie Giddings
Public Works Director
City of Wasilla
290 E. Herning Avenue
Wasilla, AK 99654

RE: Meta Rose (Lot 5A, Block 1, Fred Nelson E, Plat 83-178)

Dear Mr. Giddings:

The following points are based on the information identified in this letter.

1. Subject Property.

In December 2009, COW purchased this property (Meta Rose) and another lot (Crazy Moose parking lot). The Meta Rose purchase included personal property (paintings, bench, restaurant fixtures and equipment) and assignments of 9 tenant leases (\$14,994.27/mo.).

The condition of title has not changed. See, 12/09 title policy and 6/14 owner's consultation report. There are currently 6 tenant leases (est. \$9200/mo.): American Lung Assn., Alaska Assn. of Conservation Districts, Pataya Sushi, Area 51 Hobbies, Flowers by Louise, Younique Boutique. A sale of this property would include an assignment of these leases, and restaurant fixtures and moveable equipment (required for Pataya tenant) plus other personal property on the premises which the City does not want to retain. The City's standard tenant lease (Sec. 12.12) says the City will be released from its obligations as landlord if the subject property is sold (with these leases being assigned to the buyer). The City would require a buyer to assume the leases and release the City from its landlord obligations as a condition of sale.

2. Sale with Restrictions.

Tina Crawford, City Planner, and I had detailed discussions on planning concerns that might be addressed by placing land use conditions on the sale of the property. To that end, she provided and I reviewed the Comprehensive Plan, Downtown Area Plan and the following records (including attachments): Wasilla Planning Commission Resolution 13-04AM, and IM 13-12 (Planning Commission Recommendation) and IM 14-03 (Council Discussion). In addition, I walked through the building and talked with the tenants.

- a. Overlay Zoning & Grandfather Rights. The Planning Department is developing design and use standards that will be incorporated in a Downtown Overlay Zoning District. Meta Rose would be included in that district. However, the Meta Rose building and uses (along with other similarly-situated, improved and operating properties) typically would be "grandfathered in" on the date the overlay zoning becomes effective. For this reason, overlay zoning may have little or no initial impact on Meta Rose and other improved, operating properties at the time the zoning district is created. Consequently, it may not matter whether the City sells Meta Rose before or after the overlay zoning district is created in this context.
- b. Restriction on Meta Rose Property. The Planning Department has considered whether land use restrictions should be placed on Meta Rose as a condition of sale. The general types of restrictions identified by Planning relate to design and uses compatible with the Downtown Area Plan, which are intended to be specifically identified through overlay zoning in the future.

In general, design standards in zoning apply to new construction (including after teardown of existing buildings) and exterior renovation of existing buildings (and/or landscaping, exterior signage, walkways, etc.). They do not apply to existing buildings or exterior features on the property. For example, design standards imposed through zoning typically would not apply to the Meta Rose building or other exterior features that exist on the date that overlay zoning becomes effective. Instead, the property would become subject to those rules when a triggering event occurred (post-zoning major renovation or rebuild). This balance preserves the existing property rights of land owners and allows zoning to achieve uniformity over time (including through new development of raw land, such as the Crazy Moose parking lot, and renovation of improved property in the zoning district).

In general, use standards in zoning are intended to achieve the desired mix of uses for district as a whole, not for a specific property. In addition, use standards often prohibit incompatible uses (such as no strip clubs) for the district as a whole, but do not impose use restrictions on just one specific property.

Currently, the Planning Department is in the process of developing specific design or use standards to be incorporated in the overlay zoning district. For that reason, we have no way of knowing whether any land use restriction imposed on the Meta Rose property today will be compatible with the as-yet unknown zoning standards to be implemented in the future. In that context, restrictions may and, likely often do, limit the pool of buyers because restrictions take away an owner's property rights and, in the case of Meta Rose, the buyer will have no guaranty that his neighbors (including competitors) will be subject to the same restrictions (since overlay zoning is not in place). That said, the City should impose specific restrictions on the Meta Rose property in anticipation of a sale if there is an important municipal purpose to be served.

3. Meta Rose Sale. The decision to sell, including timing, involves various factors. For example, the owner may have an immediate need for cash, the property may be too burdensome to retain or not useful, and/or the marketability of the property may seem favorable based on local conditions. Professionals, like brokers, appraisers, lawyers or accountants, may provide opinions and information to assist an owner. In the end, the owner is left to decide whether and when to sell, and those decisions depend on the owner's assessment of the factors which that owner decides are most important.

The following information was provided to me:

- a. Council Ordinance 09-76 (12/28/09): This ordinance says:
"the proceeds or any net gain from the future sale of said property, over and above cost, will be set aside in an account for the use of a future library."
- b. Council Resolution 10-06 (1/11/10): This resolution says the DeArmoun's sold Meta-Rose to the City with a \$500,000 discount to support a future library.
- c. Council AM 13-07 (3/11/13): This memorandum says Meta Rose was purchased for use as a library. Since a different site has been chosen, Meta Rose "is not needed for, or devoted to, a municipal purpose. Ownership of this property places the City of Wasilla in direct competition with the private sector retail property management entities." The Council directed the administration to proceed with the sale of Meta Rose and authorized the Mayor to obtain a broker's opinion.
- d. Planning Resolution 13-04 (8/13/13): This resolution recommends the City retain ownership of Meta Rose and continue to lease the building until the City identifies targeted land uses that are consistent with the Downtown Area Plan and will create a vibrant, revitalized downtown.
- e. IM 13-12 (9/9/13): This memorandum explained the Planning Commission recommendation above. It makes these points:

The Commission based its recommendation on the 2011 Comprehensive Plan and 2013 Downtown Area Plan Amendment, which “clearly outline the resident’s desire for a revitalized downtown that is walkable and contains a mix of land uses,” and “described the need for a City land bank so the City can purchase properties to incentivize development in the downtown area.”

The Commission agreed Meta Rose is an ideal location to service as a catalyst for future development and improvements in the downtown area. Prior to selling Meta Rose, the Commission proposed that the Council obtain a detailed future development plan and an updated market analysis to create a vibrant downtown. Then, it recommended Meta Rose could be sold through an RFP process to ensure future uses and/or redevelopment of Meta Rose will help stimulate growth and redevelopment in the downtown area.

Alternatively, the Commission recommended that, if the property is sold without taking these steps, the City should restrict the property or impose these conditions of sale: whether the structure can be torn down and rebuilt, whether it should be a single or mixed-use building, etc.”

- f. IM 14-03 (1/13/14): The Council held a Committee of the Whole to discuss the Meta Rose sale. The purpose was to inform the Council about past actions of the Council and Planning Commission, and to discuss this topic with the Administration. The City Clerk attachment said the hope was to see if there is a general consensus on a path forward to sell it now, hold on to it for a few years, give ideas on stipulation from the Planning Commission, and other processes that will need to be considered. The City Clerk also provided direction on Wasilla Municipal Code, Chapter 5.32, Sale or Lease of Public Lands.

The State DCCED Division of Community and Regional Affairs published a manual titled *Municipal Land Acquisition and Disposal in Alaska* to assist local governments. It says (Appendix 6, p. 281):

The essential first step in a local government’s consideration of the sale of public land is to answer the question: “Just what are we trying to accomplish?” Most problems in a sale stem from the fact that the local governing body never had a clear answer to this question in the first place.

In general, the COW information recited above identifies two competing goals: (1) dispose of the property (now or in the short term) because it is no longer needed as a library site; and, (2) retain the property with the intention of selling it at some future time under conditions that would make the property a keystone of the Downtown Area Plan. The Council should choose one of the two goals, which will determine the next steps needed to implement that goal.

The following information might help the Council choose the best goal:

Troy Tankersley, City Finance Director, could explain, in municipal accounting/financial terms, points that he thinks are important, such as:

- What this Ordinance 09-76 language means: “the proceeds or any net gain from the future sale of said property, over and above cost, will be set aside in an account for the use of a future library.” Specifically, what is the City’s “basis” in Meta Rose (one of two properties) and how are the “proceeds,” “net gain” and “cost” terms defined for this sale. This information will help the Council understand how money obtained from the sale will be committed.
- Meta Rose’s performance (income/expense) annually from 2010-present. This data will give the Council hard numbers on income v. cost. (It is important to identify or estimate “hidden costs,” meaning time and resources that City employees devote to operations, accounting, etc.

Archie Giddings

June 12, 2014

Page 4

for this property.) Also, this information will allow the Council to see the overall trend under Municipal ownership. In that context, AM 13-07 points out that the City purchased this property for a public library, not to become a mall landlord which is now the case. That said, the City can retain the property and continue current operations if, in general, it has a municipal purpose that is in the public interest (for example, to delay a sale for market reasons, or to later use as a Downtown Area keystone per Planning recommendation).

- A projected budget, and/or main expense items (including items in next paragraph).

You might address points that you think are important on the physical plant and mall operations with the Council. For example, the building is about 30-years old. One consideration in retaining the property is whether major maintenance, repairs or replacements will be needed (since there is no reserve fund). Also, you might give the Council a copy of the 12/14/09 Burkhart Croft Analysis, which details the various building condition, deficiencies, etc. on the acquisition date. Given the age and condition of the physical plant, the pool of buyers would probably be reduced if the City decides to sell the property and places conditions related to whether the building can be torn down or rebuilt, single or mixed use and similar restrictions. You should also talk to the Council about the Main Street Couplet/Rehabilitation Project, and whether it would likely be a positive factor to a buyer today.

A broker's opinion might be useful. The Council should also take into account the time that the funds from the sale of this property will be needed for the library, and consider the difference in expected return between retaining the property (FMV) or holding sales proceeds in an account in the interim period.

If the Council decides to sell the property, it will need to identify any specific land use restrictions. Also, it will need to decide whether to sell through a public auction or sealed bid (RFP) to the highest qualified bidder. WMC 5.32.040 A. Then, the Council can direct the administration to prepare the auction or RFP package for Council review and approval, after which the auction or RFP process can proceed and the property be sold. (Side note: WMC requires an appraisal that is not more than 6-months old as of the disposal of property, and that appraisal must include any restrictions on the use of the land. WMC 5.32.030.)

If the Council decides to retain the property, it is not necessary to take any disposal action at this time. However, I want to mention an alternative disposal provision that is useful in special situations, such as the one outlined by the Planning Commission. WMC 5.32.A.1.(d) provides:

The mayor may, with the approval of the city council by ordinance, negotiate a sale or exchange of city land without public auction or sealed bid if the following conditions exist: ... For a particular stated purpose in the best interests of the city, and the council approves the sale with appropriate findings and conditions.

Thank you for giving me the opportunity to work on this project. Please let me know if you have any questions or need further information.

Sincerely,

Cameron Sharick

Cameron Sharick

Meta-Rose Square Trend Data

	FY2014 (to date)	FY2013	FY2012	FY2011	FY2010	Total
Revenue	141,335.94	213,349.27	205,473.24	187,074.63	88,305.74	694,202.88
Operating Expenditures	93,872.87	56,193.01	77,256.70	85,339.91	47,579.26	266,368.88
Property Taxes	22,776.90	22,179.22	20,985.36	23,587.32		66,751.90
Capital Expenditures			25,525.50			25,525.50
Net Income Excluding Wages & Benefits (A)	24,686.17	134,977.04	81,705.68	78,147.40	40,726.48	335,556.60

(A) Direct costs of materials, supplies and services relating to the Meta-Rose Square are charged to department 4332. However, no employee wages and benefits are allocated to the department for the maintenance, marketing and general property management of the building.

Occupancy Analysis - Based on Square Footage

Sq. Feet	No. of Months Occupied					Occupied Square Footage (for Calculation)					
	FY2014	FY2013	FY2012	FY2011	FY2010	FY2014	FY2013	FY2012	FY2011	FY2010	
All I Saw	4,757	-	12.00	12.00	12.00	6.00	-	57,084	57,084	57,084	28,542
Annabel's Books/Clumzy Clover Teahouse	2,060	7.00	12.00	12.00	12.00	6.00	14,420	24,720	24,720	24,720	12,360
Younique Boutique	2,009	12.00	12.00	11.00	12.00	6.00	24,102	24,102	22,094	24,102	12,051
Nail Salon	225	-	12.00	12.00	12.00	6.00	-	2,700	2,700	2,700	1,350
Flowers by Louise	2,479	12.00	12.00	12.00	12.00	6.00	29,748	29,748	29,748	29,748	14,874
Big Daddy's Tobacco	1,148	2.00	12.00	12.00	12.00	6.00	2,296	13,776	13,776	13,776	6,888
Pataya Sushi	929	12.00	12.00	12.00	12.00	6.00	11,148	11,148	11,148	11,148	5,574
Elevator Shaft	42	9.00	8.00	12.00	12.00	6.00	378	336	504	504	252
Cozy Nook	175	10.50	10.00	12.00	8.00	-	1,838	1,750	2,100	1,400	-
Basement	1,345	-	-	-	-	-	-	-	-	-	-
Upstairs	1,939	12.00	11.00	10.00	5.00	-	23,262	21,324	19,385	9,693	-
Approx. Total Leasable Square Footage	17,107	205,284	205,284	205,284	205,284	102,642	107,192	186,688	183,259	174,875	81,891
Occupancy Rate		52.2%	91%	89%	85%	80%					