



	Presented
Action taken	
Other:	
Verified by:	

WASILLA CITY COUNCIL INFORMATIONAL MEMORANDUM

IM No. 04-17

TITLE: Hermon Road Traffic Signal

Agenda of: December 13, 2004
 Originator: Public Works Director

Date: December 8, 2004

Route to:	Department	Signature/Date
	Police	
	Recreational and Cultural Services Library, Museum	
X	Public Works Planning	<i>Jandra Kaulby</i>
X	Finance *signature required	<i>[Signature]</i>
X	Clerk	
X	Economic Development	<i>[Signature]</i>

REVIEWED BY MAYOR DIANNE M. KELLER: *Dianne M. Keller*

FISCAL IMPACT: yes\$ or no Funds Available yes no

Account name/number:

- Attachments:
- Wasilla Resolution Serial No. 04-08
 - Planning Commission Resolution Serial No. 04-08AM
 - Planning Commission Minutes for March 23, 2004
 - Draft of Incentives and Economic Development Policies

SUMMARY STATEMENT:

Background on Signal at Parks and Hermon

Prior to the announcement that Lowe's was locating on East Sun Mountain Avenue and Hermon Road, the City of Wasilla had identified the need for a traffic signal at the Parks Highway and Hermon Road intersection to serve the existing businesses (Mat-Su Cinema, boat sales, Nye, strip mall, etc.), City residents, and the 21,113 (DOT 2003) vehicles traveling along the Parks each day. The City administration and staff were recommending installation of this signal because of the growing transportation safety problems at the Parks/Hermon intersection. Between 1998 and 2002, eighteen accidents were reported at this intersection (AK DOT traffic Safety Division data). Of these accidents, 39% were accidents with injuries and property damage was reported in 61% of the accidents. Additionally, City Police reported 13 accidents along this section of the Parks Highway in 2003.

As a result of the growing average daily counts on the Parks Highway and concerns for the safety issues resulting from the increased traffic, the City had already tentatively programmed \$250,000 from the City's CIP budget for AK DOT to expand their Parks Highway upgrade project to include installation of this traffic signal. DOT's original plans for the Parks upgrade included preliminary engineering design and installation of electrical conduit for a signal at this intersection but did not include the signal light.

The recommendation to have the signal installed is not just the result of Lowe's coming to Wasilla. It represents the need to serve nearby Wasilla businesses, Wasilla residents and visitors, as well as the 21,113 vehicles per day traveling along this section of the Parks Highway.

In recognition of the need to ease the pressure at Parks and Hermon, on February 23, 2004, the City Council passed Resolution 04-08 approving the concept of the City developing an alternative access route for East Sun Mountain Avenue which would allow the community to reach Lowe's and other businesses along the north side of the Parks Highway from Seward Meridian Parkway. The development of this option would have cost up to \$750,000 in City CIP funds without any reimbursement from Lowe's.

AK DOT indicated it was prepared to modify the Parks Highway project then underway to accommodate the new frontage road's connection with the current frontage road system east of Seward Meridian Parkway. Since the City was not able to secure the right-of-way for the proposed East Sun Mountain access, we will not move forward with this road project. This brings us back to the community's need for a traffic signal at Hermon and the Parks to control turning movements in to and out of all the businesses along this section of the highway.

Planning Commission Condition

Planning Commission Resolution 04-08AM on the Lowe's CUP states that Lowe's "shall continue to work with AK DOT to install a traffic signal at Hermon and the Parks". Lowe's actual access is off of East Sun Mountain Avenue. East Sun Mountain is the frontage road on the north side of the Parks Highway that is connected to the Parks Highway by Hermon Road.

Cost to City for Reimbursement Agreement with Lowe's

Under the terms in the proposed agreement with Lowe's, the Finance Department projects that the City would rebate approximately \$50,000 a year in sales tax to Lowe's. Based on DOT's actual projected cost of \$676,000 for the traffic signal with our total contribution being \$338,999, the present value of our share would be approximately \$294,495. For an alternative based on Wasilla contributing \$350,000, the present value of the contribution would be \$303,995. Therefore, the estimated range of our true cost is \$294,495 to \$303,995.

	<u>Cost Share</u>	<u>Present Value Cost</u>
Alt. 1	\$338,999	\$294,495
Alt 2	\$350,000	\$303,995

During the estimated 6 to 8 year term of the Lowe's reimbursement agreement, Lowe's employees will have earned and brought approximately \$16 to \$24 million in wages into the local economy. If Wasilla looks beyond the projected 6 to 8 year reimbursement time line for this agreement, the benefits to the community far outweigh the cost especially if you add in the long term increase in sales tax revenue and increased revenue from the City's 0.4 mills in property tax revenue.

Lowe's has hired 120 employees, mostly from this area. If only 80% live in the Wasilla area and their average wage is \$13/hour, these new employees represent the addition of \$2.7 million per year into the Wasilla economy.

Benefit to Wasilla Economy During Reimbursement Period:

	<u>6 Year Reimbursement Period</u>	<u>8 Year Reimbursement Period</u>
Wage Income \$13/hour (\$2.7 Million/year)	\$16,224,000	\$21,632,000
Wage Income@ \$15/hour (\$3.7 Million/year)	\$18,720,000	\$24,960,000

General Statement on Economic Development

Cities that are successful in growing beyond the status of a being a bedroom community to a larger more economically powerful city do so by deciding to take an active role in bringing jobs to their residents. They invest in economic development. While the Lowe's agreement may not be classed as an economic incentive, it is a valid economic development strategy.

Another example of active economic development strategy was the willingness of both City of Palmer and the City of Wasilla to do whatever Triad needed in the way of infrastructure development when they were thinking of building a new hospital. Wasilla competed for that project and each city was willing to spend city funds to bring the hospital's new jobs and wages to their community. Wasilla is still in competition with Palmer, and with Eagle River, and with every other Alaska community that wants to provide jobs for its residents. To win this competition, we need to be able to see and explain to our residents the long term benefits of investing today's tax dollars in a wide range of new ways to win the jobs and the dollars for all our tomorrows.

One suggestion is to earmark a set percentage of each annual CIP budget for economic development. These funds would then be available to the Economic Development Director for a variety of incentive programs or projects. Other economic strategies need to be developed as part of Wasilla's economic development efforts.

In any economic development effort, momentum is important. Right now, Wasilla has momentum. We can be seen by state and out of state companies as being a community that helps companies come into the area or a community that may or may not welcome a new company.

Impact of New Business, Why Assisting Businesses is Good for a Community

One way to visualize the economic benefit of having a new business opening in Wasilla would be to look at the impact Lowe's will have on this community. The best estimate we have right now in terms of a multiplier on wages alone is approximately 1.5. That means for every dollar earned [see the table above], \$0.50 cents is spent elsewhere in the community.

There will be a higher economic benefit to the community on sales (the multiplier in Alaska is usually between 4 and 7). We will need to have more information on sales at the Wasilla Lowe's before we can make a more specific prediction on this multiplier effect. This is because each new business will acquire some goods or services from other local businesses (for example, when the new business purchases office supplies, phone services, internet service, or pays for local newspaper or radio advertisements). In addition, there is a cascading effect as the new business's local suppliers are able to prosper and expand the number of their employees, generating increased worker income, some of which will be spent at other local retailers, causing those businesses to expand.

In addition to the economic benefits, Wasilla reaps social benefits when new jobs come here. Some societal benefits include the opportunity for community youth to find work locally as they graduate from school, workers gain an opportunity to work close to home rather than commuting, and families of former commuters gain two or more hours per day of direct parental supervision of young children. Also, bringing more businesses into Wasilla provides opportunities for the youth who graduate from high school here to remain in this community rather than graduating then leaving. Providing more jobs at various skill levels to allow young persons to enter the work force while completing their education and then remain in Wasilla work their way up in one of the local companies should be one of the City's economic development goals.

Setting Precedent

In the proposed agreement with Lowe's, the percentage of reimbursement is based on public benefit beyond that of the development. In this case, at least 50 percent of the traffic demand for the traffic signal was present prior to Lowe's selecting this site for their Wasilla store. Lowe's provides the balance of traffic needed to trigger the Federal Warrant to justify the signal. Therefore, the administration believes it is appropriate to fund 50 percent of this signal. Otherwise, Lowe's is expected to carry the burden for the entire area.

The City of Wasilla included the traffic signal at Hermon and the Parks Highway in its discussions with DOT during our reviews of the both the preliminary and final designs of

the Parks highway project. While DOT was willing to include some of the electrical conduit work in their final design, we were not able to get the actual traffic signal included in the Parks Highway upgrade because it did not meet DOT criteria for a signal.

The administration fully intends to develop an economic development program that can be used for future developments. Some key points in the proposed agreement with Lowe's that can form the basis for future agreements are:

- 1) City reimburses up to 50 percent for infrastructure improvements.
- 2) Reimbursement is based on 20 percent of sale tax generated.
- 3) Reimbursement is limited to sale tax that can be generated over 10 years.

Future developments will be viewed on a case-by-case basis. This type of partnership is self-limiting since it is based on the sales tax that can be generated by any particular business and it is limited with a 10-year cap.

The administration believes this can be applied to other projects with minimal impact on future capital improvements.

Recommendation

Participating in the proposed reimbursement agreement with Lowe's is not a traditional economic development incentive. It is however an excellent example of a public safety improvement that is also proactive economic development. Staff respectfully recommends that the Council authorize the Mayor to enter into this agreement with Lowe's.

Requested by: Public Works
Prepared by: Public Works
Adopted: February 23, 2004
Vote: Unanimous

CITY OF WASILLA
RESOLUTION SERIAL NO. 04-08

A RESOLUTION OF THE WASILLA CITY COUNCIL APPROVING THE CONCEPT OF AN EAST SUN MOUNTAIN AVENUE EXTENSION TO SEWARD MERIDIAN PARKWAY TO PROMOTE LOCAL BUSINESS DEVELOPMENT BY PROVIDING ALTERNATE ACCESS TO THE PARKS HIGHWAY AND PALMER-WASILLA HIGHWAY.

WHEREAS, the State of Alaska Department of Transportation is in the planning stage for Seward Meridian Parkway Improvements, and

WHEREAS, local input for Seward Meridian Parkway will enable the State incorporate the City's desire for better access along East Sun Mountain Avenue into the Seward Meridian Parkway Improvement Project, and

WHEREAS, the local business district is in support of an alternative access route to the Parks Highway and Palmer-Wasilla Highway from East Sun Mountain Avenue, and

WHEREAS, an alternate access for East Sun Mountain Avenue will allow the community to access the business district in a manner that eases congestion at Hermon Road and reduces traffic impact to the neighboring residential area along Whispering Woods Drive.


NOW THEREFORE BE IT RESOLVED that the Wasilla City Council approves that the concept of an East Sun Mountain Avenue Extension to Seward Meridian Parkway, and that this alternate access is in the best interest of the community.

ADOPTED by the Wasilla City Council on February 23, 2004.

ATTEST:



DIANNE M. KELLER, Mayor



KRISTIE L. SMITHERS, CMC
City Clerk

[SEAL]



**CITY OF WASILLA
LEGISLATION STAFF REPORT**

RE: Resolution Serial No. 04-08

Agenda of: February 23, 2004
Originator: Public Works Director

Date: February 13, 2004

Route to:	Department	Signature/Date
	Police	
	Recreational and Cultural Services Library, Museum	
	Public Works Planning	
	Finance *signature required	
X	Clerk	<i>[Handwritten Signature]</i>

REVIEWED BY MAYOR DIANNE M. KELLER:

[Handwritten Signature: Dianne M. Keller]

FISCAL IMPACT: yes or no

Funds Available yes no

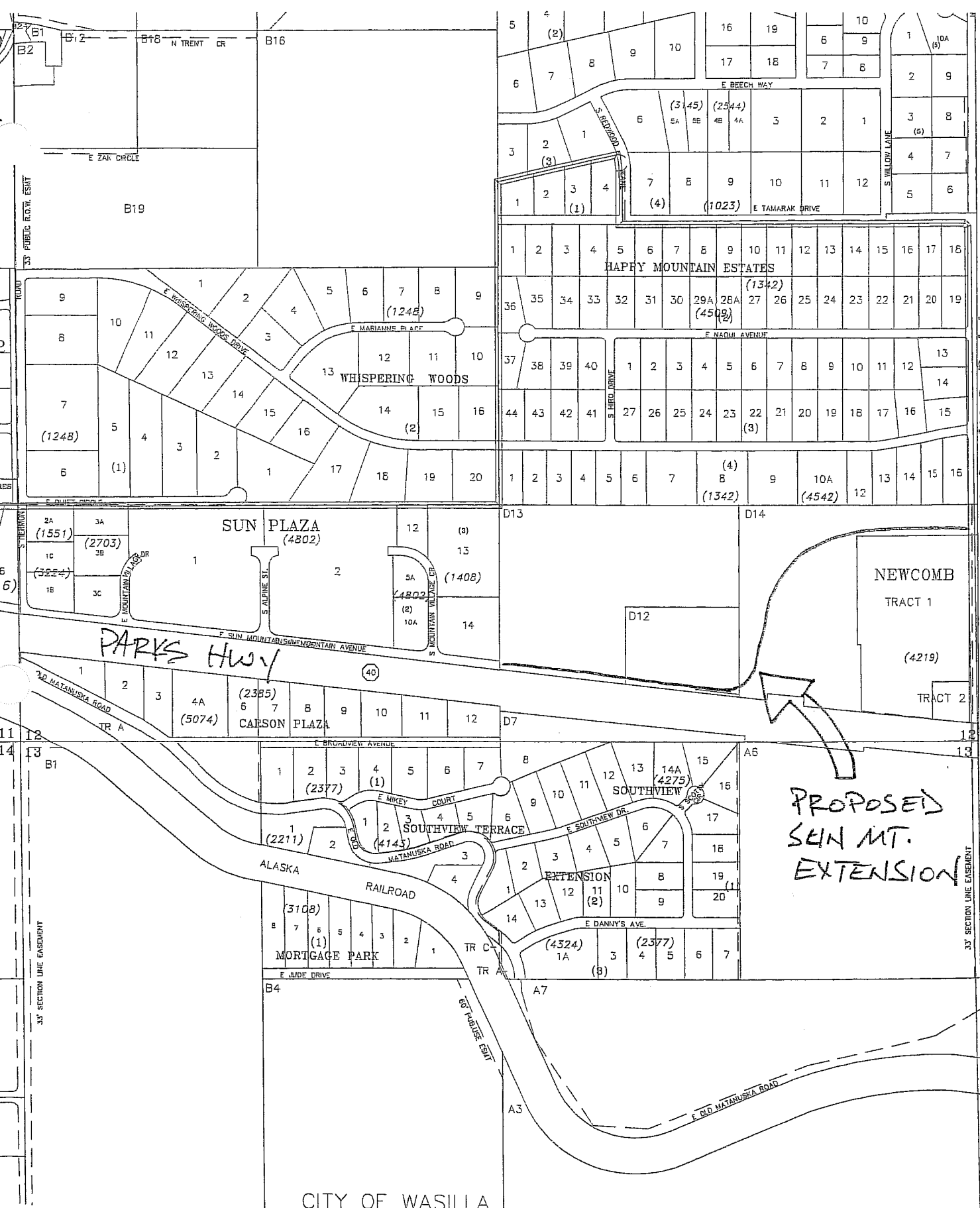
Account name/number:

Attachments: none

SUMMARY STATEMENT:

This Resolution will help DOT with the design for Seward Meridian Improvements that are currently in the planning stage. The Administration has been working with the local business district and has identified the need for an alternate access for East Sun Mountain Avenue to promote local business development and ease congestion at Hermon Road.

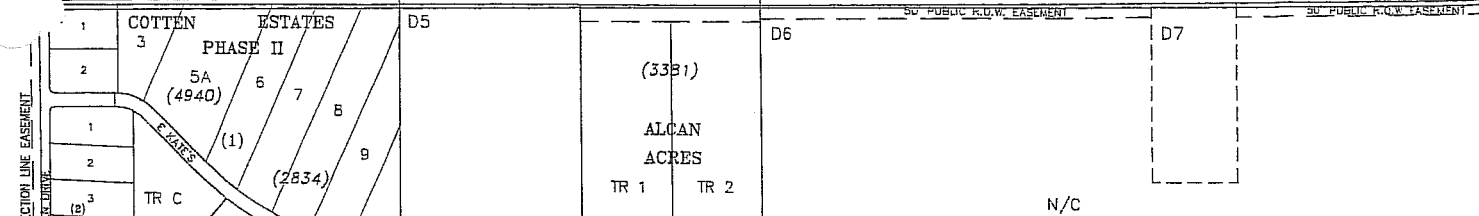
At a minimum, DOT will be able to fund intersection improvements at Seward Meridian that may include a traffic signal for an East Sun Mountain Avenue extension, with the approval of this resolution. The City is seeking local support to proceed with the road extension as a City project.



SEWARD MERIDIAN

PROPOSED
SEW. MT.
EXTENSION

CITY OF WASILLA



**WASILLA PLANNING COMMISSION
RESOLUTION SERIAL NO. 04-08 AM**

**A RESOLUTION OF THE WASILLA PLANNING COMMISSION TO APPROVE A
CONDITIONAL USE PERMIT FOR CONSTRUCTION OF A 135,000 SF RETAIL
BUSINESS WITH 31,000 SF GARDEN CENTER, ON LOT 3A MOUNTAIN VILLAGE
PLAZA, AND LOT 1 OF SUN PLAZA INTO ONE APPROXIMATE 12.4-ACRE
PARCEL, ZONED C—COMMERCIAL.**

WHEREAS, Tom Adams, PE, with Lounsbury and Associates, Inc, for Lowe's Home Improvement Warehouse, Inc, submitted a conditional land use permit application on February 25, 2004 for construction of a 135,000 square foot commercial retail business with a 31,000 square foot garden center on parcels, Lot 3A, Mountain Village Plaza, and Lot 1, Sun Plaza; and

WHEREAS, Tom Adams, or Lounsbury and Associates, Inc, representing Lowe's HIW, Inc has responded to requirements listed in WMC 16.16.050 of the Wasilla Development Code and addressed the criteria therein by letter dated February 25, 2004 consisting of a total of five pages; and

WHEREAS, a Conditional Use permit is required within a commercial zone as the proposed project exceeds 10,000 square feet of gross floor area, (GFA); and

WHEREAS, Wasilla Planning Office has posted public notices for the request for a conditional use permit in accordance with Wasilla Municipal Code; and

WHEREAS, Wasilla Planning Office mailed out notices for the initial request to property owners within 1200 radial feet of the proposed development; and

WHEREAS, the public hearing date and time has been publicly advertised; and

WHEREAS, the applicant anticipates that the landscaping will be delayed due to seasonal reasons, and has requested occupancy prior to landscape installation, and

WHEREAS, the applicant has requested to exceed the height of thirty-five at the main entry parapet, and

WHEREAS, the Wasilla Planning Commission deliberated on this request taking into account the information submitted by the applicant, the evaluation and recommendations of staff contained in the staff report, public testimony - both written and verbal comments, the applicable provisions of the Wasilla Comprehensive Plan, and other pertinent information brought before them; and

WHEREAS, the Wasilla Planning Commission has adopted Findings of Fact to summarize the basic facts and reasoning of the commission;

NOW, THEREFORE BE IT RESOLVED, that the Wasilla Planning Commission approves Conditional Use Permit C04-89 for construction of a 135,000 square foot commercial retail business with 31,000 square foot garden center on parcels 3A, Mountain Village Plaza and Lot 1, Sun Plaza with landscaping to be installed by September 30, 2005 and with authorization to exceed thirty-five feet at the main entry parapet with the following conditions:

1. Lowe's shall continue to work with the AK DOT &PF to install a traffic signal at Hermon Road and the Parks Highway.
2. A drainage plan must be approved by the Wasilla Public Works Director that will control runoff during and after construction and which will demonstrate that grading will be performed per the Wasilla Public Works requirements and will be consistent with standard drainage and hydraulic design practices.

BE IT FURTHER RESOLVED that the Wasilla City Planning Commission approves Conditional Use Permit C04-89 after due consideration and with the Findings of Fact attached as Exhibit A and incorporated herein.


ADOPTED by the Wasilla Planning Commission on March 23, 2004.

APPROVED:



Stan Tucker, Chairman

ATTEST:



Sandra Garley, City Planner

[seal]

Wasilla Planning Commission Resolution 04-08

Findings of Fact

1. The property owner, Lowe's Home Improvement Warehouse, Inc., is represented by Tom Adams. PE of Lounsbury & Associates Inc.
2. Lowe's has requested a Conditional Use Permit to construct a 135,000 s.f. retail business with 31,000 s.f. garden center & replat 2 lots into one.
3. The property is located at 2551 E. Sun Mountain Avenue, north of the Parks Highway and is the site now occupied by Homesteaders Hardware.
4. The parcel is approximately 12.3- acres in size.
5. The adjacent properties to the east, west, and south are zoned Commercial and developed as Commercial, and while the adjacent properties to the north are developed as residential, they are outside the city limits and therefore are not zoned.
6. The parcel in question is not part of an existing neighborhood plan.
7. Seventy-three notices were mailed to property owners within 1200 feet, and the only comment received back was in support of the application.
8. This area is shown in the 1996 Comprehensive Plan as Commercial and is projected to remain Commercial.
9. The special provisions under 16.16.060 do not apply as the requested use is not one of the uses listed in this section of the Wasilla Land Development Code.
10. Jack Krill, Chief of the Central Mat-Su fire Department, has reviewed the site plans and has found the proposed access ways, driveways, fire lanes, fire hydrant placement, fire flow requirements, fire department connections, and other emergency response, fire and life safety issues to be adequately addressed.
11. Primary access to the property is from a highway frontage road, East Sun Mountain Avenue, with a connection to the Parks Highway via Hermon Road.
12. Traffic will enter the site from two driveways on Sun Mountain Avenue and an additional two driveways on Alpine Street.
13. A Traffic Impact Analysis (TIA) was submitted to Alaska Department of Transportation for review and approval.
14. The proposed traffic mitigation plan in the TIA includes installation of a traffic signal at the Parks Highway/Hermon Road intersection.
15. The proposed building meets all setback requirements of section 16.24.030.
16. The proposed main entry parapet may exceed the 35' height limit pursuant


- to 16.24.030A(6) under the provisions of an approved permit.
17. The applicant has met the required minimum parking requirement for 447 parking spaces and 11,175 s.f. snow storage as required under 16.24.040.
 18. This property is adequately served by city water and sewer, electric, natural gas and telephone utilities.
 18. The provisions for internal traffic circulation provide for safe movement of vehicles on and off site.
 19. The Traffic Impact Analysis indicates that the proposed use will not result in significantly different peak use characteristics than surrounding commercial uses on the frontage road or on the Parks Highway.
 20. The proposed use will not generate excessive noise, vibration, dust, litter, odor, glare, radio or television interference, or line voltage fluctuations off premises.
 21. Parking lot light fixtures direct light down not up or to the side.
 22. A Landscaping plan has been submitted for 84 trees (12 Paper Birch, 56 Amur Chokecherry, 16 Colorado Green Spruce) and 168 shrubs (11 Amur Maple, 44 Peking Cotoneaster, 40 Bush Cinquefoil, 73 Common Ninebark) which exceeds the minimum requirements.
 23. A proposed pedestrian access will connect to the multi-use path along the north side of the Parks Highway to be constructed by DOT this year.
 24. The proposed building is similar to other commercial structures in the vicinity while the residential uses to the north are separated from the commercial use by an 8' change in elevation.
 25. Existing commercial uses in the surrounding area and volume of traffic along the Parks Highway do not support dedication of a portion of the property as public open space.
 26. There is no significant historic cultural resource on the proposed site.
 27. Existing building and parking have not significantly increased impact on surrounding area from glaciation or drifting snow.

APPROVED:



Stan Tucker, Chairman

ATTEST:



Sandra Garley, City Planner

[seal]

CALL TO ORDER

The regular meeting of the Wasilla Planning Commission was held on Tuesday, March 23, 2004, in Council Chambers of City Hall, Wasilla, Alaska. Stan Tucker, Chairman, called the meeting to order at 7:00 p.m.

ROLL CALL

Planning Commissioners present and establishing a quorum were:

Ms. Dorothy Hamilton, Seat B
Mr. Gregory Koskela, Seat C
Ms. Jessie Elkins, Seat D
Mr. Stan Tucker, Seat E
Mr. William McCain, Seat G

Commissioners McCarthy and Vinette were absent, excused.

Members of the staff in attendance were:

Ms. Sandra Garley, City Planner
Ms. Jill Carricaburu, Planning Clerk

PLEDGE OF ALLEGIANCE

Commissioner McCain led in the Pledge of Allegiance.

APPROVAL OF AGENDA

Chairman Tucker asked to add, 'Election of Officers' to the agenda prior to 'Reports', pursuant to the requirements of WMC 2.60.020(B).

GENERAL CONSENT: The agenda as amended was approved without objection.

ELECTION OF OFFICERS

NOMINATION: Commissioner Hamilton moved to re-elect Stan Tucker as Chairman.

Hearing no other nominations for Chairman, Mr. Tucker asked for nominations for Vice-Chairman.

NOMINATION: Chairman Hamilton nominated Mr. McCain for Vice-Chairman. Mr. McCain respectfully declined the nomination.

NOMINATION: Chairman McCain nominated Mr. Koskela as Vice-Chairman.

Hearing no other nominations for Vice-Chair, Mr. Tucker closed nominations.

VOTE: The vote was unanimous in favor of confirming Commissioner Tucker as Chairman and Commissioner Koskela as Vice-Chairman.

Commissioner Tucker thanked his fellow commissioners for their electing him chairman.

REPORTS

- City Council

Ms. Garley reported that:

- the City Council, at the previous night's meeting, reviewed items focusing on the budget; and
- Council introduced the rezone request for property north of the Parks Hwy submitted by Mr. Baker. A public hearing will be held on April 12 by Council to consider Planning Commission's recommendation to deny the rezone.

CONSENT AGENDA

Minutes of Preceding Meeting: March 9, 2004

GENERAL CONSENT: The consent agenda was approved without objection.

PUBLIC HEARING

- A. **Resolution 04-08** – For approval of Conditional Use permit for Lowe's Home Improvement Warehouse.

Ms. Garley gave an overview of the project.

Commissioner Tucker invited Tom Adams, project manager with Lounsbury and Associates to come forward to give an overview.

Mr. Adams introduced himself offering details of the proposed retail center. He noted that the two lots will not be combined into one. However, he has submitted a preliminary plat to the Borough to vacate portions of rights-of-way and some utility easements.

He stated that Lounsbury is working with ADOT&PF to coordinate the installation of signalization at the intersection of Hermon Road and the Parks Hwy. The landscape plan submitted is by Landscape North and commission approval is necessary to allow landscaping to be completed after the opening of the store due to seasonal constraints.

Discussion followed.

Chairman Tucker opened the public hearing.

With no one present wishing to speak, the public hearing was closed.

MOTION: Commissioner McCain moved to adopt resolution 04-08 as presented.

MOTION: Commissioner McCain offered a primary amendment to the motion by striking the word, 'combined,' in the fifth paragraph of page 2, and to delete condition number one in its entirety.

VOTE: Voting on the primary amendment, it passed unanimously.

VOTE: Voting on the main motion, it passed unanimously.

PERSONS TO BE HEARD

There were no persons to be heard.

UNFINISHED BUSINESS

A. Hazard Mitigation Plan – Draft

Ms. Garley stated that she took the commissioners comments from the last meeting and incorporated them into the Hazard Mitigation Plan, (HMP). She reviewed the objectives and actions pertinent to each identified specific goal for earthquakes, severe weather, and wildfire.

Ms. Garley requested that commissioner's think about possible goals and objectives regarding volcanic ash fall, erosion, and floods for next meeting and asked them to call the planning office with any ideas that they may have on these items that may be included in the plan.

Discussion followed.

NEW BUSINESS

A. Resolution 04-09 – Appreciation of the services of Verdie Bowen.

Chairman Tucker requested that the Clerk read Resolution 04-09 into the record.

MOTION: Commissioner Hamilton moved to adopt Resolution 04-09 as presented.

VOTE: Voting on the motion, it passed unanimously.

Chairman Tucker added that he wished Mr. Bowen well in his new endeavor for the City.

COMMUNICATION

- Calendar Review March/April

Chairman Tucker commented that Commissioner McCarthy will represent the Commission at one of the April Council meetings. He reminded Commissioners of the joint work-session to be held on April 8, at the multi-use sports complex at 7:00 PM.

He stated that Commissioner McCain is scheduled to represent the Commission at one of the May Council meetings.

- Permit Log Update
- Enforcement Log

No comments were made regarding the permit log update or the enforcement log.

- Joint Work-Session April 8, 2004 – Draft Agenda

AUDIENCE COMMENTS

Jon Dewar stated that it is very difficult to receive an audible signal for the NOAA weather frequency. He has called and notified them about it numerous times to no avail. Apparently cell phone usage interferes with the signal. The Alaska Emergency Broadcast on TV and radio seems to work okay.

He is concerned whether there is room for emergency vehicles at the site condos located near him.

Mr. Dewar commented that he is not in favor of another traffic light to be located at Hermon Road.

STAFF COMMENTS

Ms. Garley commented that:

- she is working on a possible tax incentive for businesses and individuals willing to participate in hazard mitigation measures;
- she is working with the Chief of Police to develop a list of people and businesses that may be willing to offer their services during an emergency event.

COMMISSIONER COMMENTS

Commissioner Hamilton:

- welcomed Ms. Elkins stating that it is nice to be 'seven' again, having a full commission;
- stated that Lowe's will be a welcome addition to the City.

Commissioner McCain:

- welcomed Ms. Elkins to the Commission;
- stated that Jon Dewar looks good without a beard;
- inquired about emergency shelter signs.

Chairman Koskela:

- welcomed Ms. Elkins to the Commission;
- agreed that Lowe's will be a welcome addition to the city.

Commissioner Elkins:

- stated that she's happy to be a member of the Planning Commission;
- commented she served for three terms on the Borough Platting Board and is anxious to be involved with the city in which she lives.


Commissioner Tucker:

- thanked Ms. Elkins for her willingness to serve and appreciates her giving of her time;
- thanked those present for attending the meeting.

ADJOURNMENT

The regular meeting adjourned at 8:05 PM.

ATTEST:


STAN TUCKER, Chairman


JILL CARRICABURU
Planning Clerk

Adopted by the Wasilla Planning Commission April 13, 2004.

Incentives and Economic Development Policies

It probably goes without saying that the overall strategy for communities interested in economic growth involve the following: business retention and expansion, new business attraction, and small business development.

The primary factors involved in a location decisions made by a new business involve transportation costs, the market demographics, labor supply, and overall management goals and objectives. Secondary factors become more local: government incentives, quality of life, and the quality of education.

When the subject turns to new business attraction, most cities and states almost always look to offering economic development incentives. Officials at the local and state levels of government feel that it is easier to compete, not just at the local and state level, but internationally as well, if they have an array of financial and other incentives to offer to company executives

The use of economic development incentives

The use of incentives is often to “level the playing field”. Or in other words, the competition for business is to make local development less expensive than another location. Also, incentives often show that the host community is willing to work hand-in-hand in a public/private partnership in order to provide jobs, private investment, and tax revenues to the local community.

Economic development policy and strategy.

There is no specific ‘recipe’ or policy for a strategy to induce the greatest employment gain (the standard of achievement in economic growth), or tax revenue growth. Traditional policy strategies used by local government to attract development are tax benefits, low interest loans, labor force training programs, assistance with cost of infrastructure development, the establishment of incentive districts, lower costs for the sale or lease of public lands, and other miscellaneous strategies.

Rather than using one policy or incentive in business attraction, it is best to have at your fingertips an assortment of tools a community can use in economic development as every project is distinct.

The benefits of economic development investment.

One rationale for public subsidy of economic development is the potential fiscal benefits to the community. New jobs will result in increased local profits, wages, sales, and property values, all of which will enhance local tax revenue. Also consider the increase in public services and infrastructure that is directly required by new and/or expanded businesses. It is not uncommon that a new or expanded business will generate more local and state taxes than the public expenditure it requires.

About two thirds of local incentives for development are financial resource (tax incentives, loans, grants). The other third is geared toward job training and infrastructure improvements.

A trend in incentives in the past ten years has been tax increment financing (TIF) which can be either a financial incentive or an infrastructure incentive. Under tax increment financing, the increased taxes on a developed parcel of land are not put into the general fund, but instead are devoted to special services related to the designated improvement district. One common use of the TIF is to pay off bonds for infrastructure development in the TIF district. Another good advantage of using the TIF is that the sponsoring local government can capture all of the increased taxes that would have accrued to the overlapping tax districts, such as school districts, the state, or borough governments.

In summary, local economic development policy should focus on providing employment and fiscal benefits to local residents, while preserving or enhancing the quality of life. An economic development strategy should focus on business attraction, business retention, small/new business startup, and even lands with special usage concerns (i.e. Brownfield sites).

Economic development policy, including incentives, should be targeted on businesses that are more likely to provide significant employment and fiscal benefits. Local programs should also look at addressing training programs for the business community – programs that address the needs of the business community and the unemployed as well.

Local government can also subsidize the local business community with useful information that improves business survival and effectiveness.

There is no one best strategy for successful local economic development. Each local area is different, with its own unique economic conditions and needs.

Essentially, a local economic development policy need not be complex and overwhelming. It should stress the goals, objectives and desires of the local community.