

Introduced by: Council Member Stiver
Date: September 12, 2011

ORDINANCE NO. 5859

**AN ORDINANCE TO GRANT A RETURN OF CERTAIN BUILDING AND
FIRE DEPARTMENT FEES FOR THE POLARIS BUILDING PROJECT**

WHEREAS, the Polaris Building, vacant and unheated for years, is a deteriorated property that significantly impairs our community; and

WHEREAS, the building is one of five of this type of structure built in Alaska, all five of which have posed similar problems in other communities; and

WHEREAS, one of these buildings, the McKinley Tower in Anchorage, was successfully rehabilitated by the same developer; and

WHEREAS, the developer has expressed his commitment to rehabilitate this piece of private property; and

WHEREAS, the development plan would provide for both commercial use (30%) and residential use (70%); and

WHEREAS, development of this property would positively impact use and occupancy of the Fairbanks parking garage which has operated at a loss since it opened; and

WHEREAS, the financing for this project is complicated with the current shortfall of approximately \$500,000; and

WHEREAS, the developer has agreed to pay all building and fire department fees up front with the return of such fees conditioned upon the issuance of a certificate of occupancy within four years; and

WHEREAS, since the Polaris is private property, foreclosure would be subject to legal challenges, costs, and delays; and

WHEREAS, in the event of foreclosure and abandonment, the community faces the possibility of expensive abatement and demolition of this property; the cost of the demolition was estimated at \$3.4 million, an amount far in excess of the resale value of the property; and

WHEREAS, there are no identified funds for the demolition of this structure and no identifiable funds for such a demolition in the foreseeable future; and

WHEREAS, if demolished, the impact on the Borough landfill would be significant; and

WHEREAS, the Fairbanks North Star Borough Assembly has designated the Polaris Building as a deteriorated property, and both the Borough and the City have granted a ten year partial tax exemption and subsequent five year tax deferral if successfully and fully redeveloped; and

WHEREAS, an agreement to return certain Building and Fire Department fees will help make the redevelopment project viable; and

WHEREAS, economic development in the downtown area has been a long-term goal of the City Council, and

WHEREAS, the rehabilitation of this building by a private business entity does not obligate the City in any manner as to the construction and financing of the project; and

WHEREAS, the insertion of certain safeguards and deadline provisions in this ordinance will protect the City's interests;

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

Section 1. That the City Council hereby agrees to the following with respect to certain Building and Fire Department fees and charges in regard to the Polaris Building project, designated as the rehabilitation project currently proposed by Developer Marc Marlow for the structure located at 1st Avenue and Lacey Street, Parcel Account Number 041811:

1. The property must comply with the requirements of Chapters 3.10 and 3.11 of the Fairbanks North Star Borough Code of Ordinances.
2. The Developer agrees to pay all Building and Fire Department fees and charges associated with the Polaris Building rehabilitation project when they would normally be due and owing.
3. The City agrees to return all Building and Fire Department fees and charges paid by the Developer in connection with this project if and when the City Building Official issues a certificate of occupancy for the structure.

4. In order to qualify for this return of fees and charges, the Developer must commence work on the building no later than January 1, 2013, and must receive a certificate of occupancy no later than July 1, 2015.
5. As a further condition of the return of building and fire department fees, the prior waiver and deferral of property taxes (Ordinance No. 5645, As Amended), will be rescinded if the deadlines in part # 4 above are not met.

Section 2. That the effective date of this ordinance shall be the ____ day of _____ 2011.

Jerry Cleworth, Mayor

AYES:
NAYS:
ABSENT:
ADOPTED:

ATTEST:

APPROVED AS TO FORM:

Janey Hovenden, CMC, City Clerk

Paul Ewers, City Attorney