

City touts overhaul of iconic Fourth Avenue block in massive redevelopment project

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Anchorage Daily News

Anchorage Mayor Dave Bronson said he fully supports a major redevelopment project of a downtown block that includes the demolition of the iconic and long-boarded-up 4th Avenue Theatre, saying it will help revitalize the area.

"It has a long history, and we're sensitive to that," Bronson said of the theater during a press conference Tuesday at City Hall. "The artifacts are in great shape, but the problem is the structure itself, it's beyond repair. We're stuck."

Though there are plans to reconstruct aspects of the theater building's art deco facade and signage, the new construction will have a drastically different look and feel that Bronson said he believes will play a part in revitalizing the city's downtown.

"We're turning a corner in redeveloping Anchorage," Bronson said.

The demolition and reconstruction of the lots along Fourth Avenue are the most prominent in a years-long process of acquisition and rehabilitation by the developers, Peach Holdings LLC. The local company owns all but one parcel on the city block between Fourth and Fifth avenues along F and G streets, which includes the former KeyBank building currently under construction. According to the administration, the new development is slated to have a hotel, housing, office space, retail locations and entertainment venues.

Representatives from Peach Holdings did not speak at the press conference and have declined



Artist rendering provided by mayor's office

Fourth Avenue and G Street is part of the newly announced development proposal by Peach Holdings LLC. The Block 41 development includes new buildings on Fourth and Fifth Avenues in downtown Anchorage. This part of the development includes the 4th Avenue Theatre.

interviews with the Daily News about the project, but in emails have called the project "a reflection of our continuous belief in downtown Anchorage."

The lone holdout on the block is a corner building currently operated by a gift shop, which will not be part of the new structures.

"The project will be a boost to our economy," Bronson said. "Our downtown should be bustling with life."

Peach Holdings has said it anticipates spending \$200 million on the Fourth Avenue project. That would constitute the largest private investment in downtown Anchorage since the oil boom in the 1980s spurred major construction, according to Bronson.

"We have owned prop-

erty in Anchorage since 1986 and believe in our economy and community," Peach Holdings said in a prepared statement. "We want to restore downtown as a true financial, cultural, and social hub that attracts both locals and foreign visitors. It is time to bring business back to downtown."

For years, public and private organizations have struggled with what to do with the former theater building or the stately artistic murals inside it. Many longtime residents have fond memories of seeing movies there, and the distinct outdoor sign is tied to

downtown traditions like Fur Rondy and the start of the Iditarod each March.

An ambitious effort led by the Rasmuson Foundation and under the Mark Begich administration to purchase and revitalize the property ultimately fell through. The plans announced Tuesday are the culmination of a longtime vision by Peach Holdings, which bought the parcel more than a decade ago.

Since then, the company has spent hundreds of thousands of dollars maintaining the property, as well as paying taxes and utilities

on it. Some of that could be recovered upon the project's completion under a tax exemption covering deteriorated properties that the Anchorage Assembly granted the Fourth Avenue parcels in 2015.

"This is an extremely complicated project," said Adam Trombley, director of the city's Office of Economic and Community Development. "I've never witnessed such coordination between a developer and the municipality."

Demolition work is expected to begin this summer, and will involve road closures downtown. Exact timelines for construction and completion are not known, particularly given ongoing supply chain constraints hampering the building sector.

Beyond the tax exemption program, Trombley said the municipality has no formal financial arrangement or agreement with the developers.

"Government shouldn't be in the position of picking winners and losers, so that would be incumbent on the developer to ensure they'll fulfill their fiduciary duties," Trombley said.

"You can see from the building they're developing right now they're coming through on that promise," he said, referring to the KeyBank property just a few blocks away, as well as the 15-story 188 Northern Lights building in Midtown.