ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA

December 10, 2018, 5:30 PM.
Assembly Chambers - Municipal Building

Assembly Work Session - No Public Comment

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

A. **September 24, 2018 Assembly Committee of the Whole Minutes**

B. **October 22, 2018 Assembly Committee of the Whole Minutes**

IV. AGENDA TOPICS

A. **Affordable Housing Fund Discussion**

B. **Ordinance 2018-41 An Ordinance Amending the Land Use Code Relating to Alternative Residential Subdivisions.**

C. **Waterfront Infill Development (Archipelago Area)**

D. **Emergency Planning**

E. **Assembly Goals (Updated documents to be provided at the meeting)**

V. EXECUTIVE SESSION

A. **CLIAA Litigation Update**

VI. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

DRAFT

ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
September 24, 2018, 5:00 PM.
Assembly Chambers - Municipal Building

Assembly Work Session - No Public Comment, (Please Note Start Time Changed to 5pm)

I. ROLL CALL

Deputy Mayor Jerry Nankervis called the meeting to order at 5:00 p.m. in the Assembly Chambers.

Assemblymembers Present: Mayor Ken Koelsch, Jerry Nankervis, Maria Gladziszewski, Loren Jones, Jesse Kiehl and Mary Becker (telephonic)

Assemblymembers Absent: Rob Edwardson

Staff present: Deputy City Manager Mila Cosgrove, Municipal Attorney Robert Palmer, Municipal Clerk Beth McEwen, Airport Manager Patty Wahto, Community Development Director Jill Mclean, Library/Museum Director Robert Barr, Museum Director Beth Weigel

II. APPROVAL OF AGENDA

There being no agenda changes, the agenda was approved as presented.

III. APPROVAL OF MINUTES

A. August 9, 2018 Assembly Committee of the Whole Minutes

MOTION by Mayor Koelsch to approve the minutes of the August 9, 2018 Assembly Committee of the Whole Meeting and asked for unanimous consent. *Hearing no objection, the minutes were approved as presented.*

IV. AGENDA TOPICS

A. Historic Preservation Plan Update

Allison Eddins, CDD Planner, gave an overview of the plan outreach to date as well as the next steps in the process. It has been 20 years since Juneau has done a preservation plan. The project currently underway has been grant funded by National Park Service and has taken about 2.5 years so far as it has had to coincide with the grant program. Phase II, which started up last year concentrated on stakeholder groups that had not previously been heard from before such as CBJ departments, native organizations, State DOT/PF, Downtown Business Association, and others. They are launching a 30 day public comment period as of September 26 that will end October 26. In addition to larger public meetings, they will be talking with small focus groups. Following the public comment period, they will incorporate those comments and then go to the Planning Commission and it will then go to the Assembly and hopefully by January or February, Juneau will have a new Historic Preservation Plan.

Ms. Eddins noted that if you are going to have a preservation plan, you have to be able to discuss the items that are uncomfortable to talk about so that is the hope with the small stakeholder groups meetings. She said that some of the comments they have heard to date have included inquiries about the potential for incentives for historic site preservation as well as the desire of the public in seeing the history and culture available through more public art.

Assemblymembers asked questions about the upcoming process and Ms. Eddins laid out the expected timelines involved starting with the public meeting on Wednesday, September 26. The draft plan will be posted online as of that date and they will be taking public comments via an online survey as well as at the various public outreach meetings. It will then come back to the Planning Commission and the Assembly for eventual adoption, hopefully by February 2019.

B. **JEDC Alaska State Legislature & Business Visitor Satisfaction Surveys**

Ms. Cosgrove reported that JEDC, in partnership with the Alaska Committee, conducted two surveys in 2018 on behalf of CBJ: A Legislative Satisfaction Survey and a Visitors Satisfaction Survey.

Juneau Economic Development Council and Alaska Committee representatives Brian Holst, Eva Bornstein, and Alaska Committee President Wayne Jensen presented information on the two surveys.

Mr. Holst explained that the first survey was to business travelers who visited during the legislative session. This was the fourth in a series of similar surveys that had been done in 2009, 2013, 2015, and 2018. They have done the surveys at the airport with visitors to Juneau who were traveling for business purposes.

He said they also did a survey specifically with legislators and their staff. He said they received a great response of approximately 42% response from legislators and their staff.

Ms. Bornstein explained the process they used in collecting the survey responses. Alaska Airlines gave them the necessary permissions to survey travelers within the secure departure lounge at the airport. They pre-screened those that received surveys to ensure they were travelers coming to/through Juneau and were not locals. She stated that out of the 500 paper surveys handed out, 351 of them were business travelers and the remainder were visitors not traveling on business.

Ms. Bornstein explained that Alaskans that are predominantly traveling to Juneau for legislation session and/or state, federal, or tribal government related business. As for the non-Alaskan visitors, they are primarily traveling for private sector purposes. She also noted that those individuals traveling primarily for legislative session purposes are staying in the downtown area whereas those traveling for private sector business are primarily staying in the airport area hotels/motels.

The surveys covered a variety of questions about their visit. The top five areas identified were:
- Walkability of downtown
- Information on activities
- Recreation
- Friendly and Efficient Service

The bottom five areas identified were:
- Cleanliness of downtown
- Restaurants hours of operations
- Safety of downtown
- Parking downtown
- Accommodations value for money

Both surveys showed that visitors reflected the following results:
- Enjoyed the scenery and people in Juneau
- Would like improved access to Juneau and within Juneau
- Voiced concerns about downtown: 1) Safety and vagrancy, 2) Business hours and seasonality, 3) Cleanliness

Ms. Bornstein noted that the issue of safety and vagrancy became one of the key concerns in these surveys whereas they had not seen these concerns with previous years' surveys. Also of concern dealt with the cleanliness of downtown and with the Legislative Survey, the hours of businesses in downtown were not convenient for the late hours that the legislature ends its work during the day as well as the vast number of restaurants closed on Sundays.

Assemblymembers asked a number of questions regarding the surveys as well as which community groups these results have been shared with. It was suggested that they also share the survey with the downtown restaurant owners. Mr. Holst said they have shared the results with the Downtown Business Association (DBA) and the Chamber of Commerce and there is another presentation scheduled for the DIG (Downtown Improvement Group).

Additional discussion took place regarding the accessibility/walkability of the downtown area and if the construction of the Court Plaza Building and Franklin Street were issues of concerns. Ms. Bornstein noted that was not brought up but that the issue of snow removal did come up as a concern.

Mr. Jensen shared that the surveys have given us an opportunity to look in the mirror and make Juneau a better host community. He talked about the small but significant things that have been done such as the umbrella program that was implemented by the Alaska Committee and JEDC and the weekly notice to legislative offices about recreation opportunities that Senator Egan's office would send out a notice to all the legislative offices. He also noted that the value of Gavel to Gavel is consistent and very important to bring that service across the state consistently.

Additional discussion took place highlighting some of the changes that have been completed since past surveys were taken such as Airport facility improvements and downtown street remodels. Other discussion focused on what future improvements in downtown might be. Mr. Jensen asked the Assembly to be sure to share with the Alaska Committee any issues they would like to see the committee work on in the future.

C. **Juneau Business Freight Survey Final Report - Juneau Chamber of Commerce**

Jim Calvin, McDowell Group provided a high level overview of the Freight survey that was prepared for the Juneau Chamber of Commerce and given to a number of community groups. He explained that some of the data was from 2015/2016 and they are looking forward to seeing some of the additional statistics coming from 2017.

He touched on the various methods by which freight comes and goes out of Juneau and the impacts to the businesses and the community at large resulting from rising freight costs. Mr. Calvin addressed that the impact of changes to the Alaska Marine Highway System (AMHS) may be a higher impact on freight movement than most people think. He stated that the factors on how and when people ship items are not just the cost and mode of shipment but also the frequency factor on how quickly it can be sent or received comes into the mix. It is becoming increasingly difficult for local retailers to compete with the online markets (Amazon Prime, etc..). He also noted that there has been a lot of disruption due to Alaska Airlines changes surrounding Air Freight fleet changes. He also noted that Juneau doesn't have the full robust spectrum that others have (Air, Road, Ferry, Barge) and lack of competition or the likelihood of competition from other carriers is a Juneau reality.

He noted that the survey identifies some of the following opportunities for improvement:

- Small businesses with less than full containers needing to be shipped can work with other business to try to combine shipments into one full container, thereby cutting down on shipping costs.
- To support sustainable/reliable AMHS service.
- Look for opportunities to build infrastructure such as 2nd crossing/West Douglas. Juneau is unique in that we do not have any publicly owned deep water port structure facilities. He suggests the Assembly look at what Juneau's public investment will be the case 15 or more years from now. Do they want all freight coming through downtown from the rock dump or other solutions?

Mr. Calvin and Chamber of Commerce Executive Director Craig Dahl answered questions from Assemblymembers. Discussion also focused on the competitiveness and/or lack of competition from the purchase of Alaska Marine Lines by Northland and how Sampson is also operating as part of that purchase agreement. Concerns were noted that the resulting freight charges have been rising by 10% since those ownership changes were made.

D. **Museum/Legislative Affairs Collaboration (Informational only, no packet items)**

Juneau-Douglas City Museum Director Beth Weigel provided a brief informational presentation regarding a partnership that the Museum established with the Legislative Affairs agency to provide walking tours of the Capitol Building. They put together a Memorandum of Agreement (MOA) enabling museum volunteers to lead walking tours. The Museum has approximately 26 volunteers who provide staff support and walking tours during the summer. This past summer they began a program in the beginning of August that last approximately 8 weeks providing six walking tours per week of the Capitol Building.

The MOA is set up such that the tours remain free to the public but the JDCM receives a small stipend from the state to provide the tours. Part of the proposal was also to sell capitol items such as pins, mugs, ties, and the book that features art in the Capitol at the JDCM gift shop with 60% of the proceeds going to the Legislative Affairs Agency and 30% going to JDCM. Ms. Weigel noted that they only do the tour if someone signs up at the Museum. To date, they have offered 50 tour slots, 46 of which were signed up with a total of tours which have had been sign up to take for a total of 249 persons having taken a tour so far.

They did a First Friday tour of the art at the Capitol and it was a great success with the locals who attended enjoying the opportunity to see the Capitol in a new light. This has an added benefit of allowing CBJ to properly welcome visitors, both Alaskan and non-Alaskan alike to the capital city in a new way. They look forward to continuing the program next summer and expanding it as well.

V. ADJOURNMENT

Following the presentations staff and the Mayor provided updates of events coming up over the next week:

Wednesday, September 26, 3-4:30p.m. Jackie Street House Build event
Friday, September 28, Noon: Ribbon Cutting event for the West Douglas pilot road
Saturday, September 29, Noon: Project Playground ribbon cutting with speeches and program until 12:45 and the actual ribbon cutting to take place at 12:45 followed by a community celebration.

There being no further business to come before the committee, the meeting was adjourned at 6:35p.m.

Respectfully submitted.

Beth McEwen, MMC
Municipal Clerk

DRAFT

ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA

October 22, 2018, 6:00 PM.
Assembly Chambers - Municipal Building

Immediately following Special Assembly Meeting; Assembly Work Session - No Public Comment

I. ROLL CALL

Mayor Weldon called the meeting to order at 6:06 p.m. Mayor Weldon noted that Ms. Gladziszewski was traveling and would be joining the meeting telephonically when her plane landed.

Assemblymembers present: Mary Becker, Jesse Kiehl, Loren Jones, Rob Edwardson, Carol Triem, Michelle Hale, Wade Bryson, Maria Gladziszewski (joined telephonically at 6:48pm)

Assemblymembers absent: None

Staff present: City Manager Rorie Watt, City Attorney Rob Palmer, Deputy Manager Mila Cosgrove, Municipal Clerk Beth McEwen, Chief Housing Officer Scott Ciambor; Housing/Homelessness Coordinator Irene Gallion; Parks and Recreation Director George Schaaf

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

A. August 20, 2018 Assembly Committee of the Whole Minutes

MOTION by Ms. Becker to approve the minutes of the August 20, 2018 Assembly Committee of the Whole Meeting. *Hearing no objection, the minutes were approved.*

IV. AGENDA TOPICS

A. AMCO On-Site Consumption Regulations

Mr. Jones declared conflict of interest due to his role as a member of the Marijuana Control Board (MCB). He said that the State's attorney has noted that if he takes action at the CBJ Assembly, he is conflicted out from taking action as a member of the MCB so with only 5 members on the MCB, he prefers to step down from any discussion and action on the Assembly. Mayor Weldon and the Assembly agreed Mr. Jones and excused him from the room during this discussion.

Mr. Watt stated that the packet contained a brief memo from himself along with the draft regulations from the MCB for On-Site Marijuana Consumption Regulations which are currently out for public hearing to be received by November 1. He noted that he brought these forward to the Assembly's attention to accomplish two things:
1) He is hoping the Assembly will make a perfunctory comment that the office should preserve the local option in the regulations; and
2) To make sure it is on the Assembly's thinking that this is a topic that it should calendar at some point if these regulations get adopted.

Mr. Watt said he thought this would become a topic of interest to the Assembly and the public and that it would be prudent to submit a comment from CBJ that the local option is a necessary part of the regulations.

Assemblymembers discussed the work of the previous Assembly's ad hoc Marijuana Committee and the process that was underway at the same time the State's regulations were being developed for Marijuana licenses. Mr. Kiehl, as former chair of that committee, said they had not reached any recommendations on the question of on-site consumption. He said that there was a split among the members of the committee and it wasn't included up or down in the committee's recommendations.

Clarification was made by Mr. Watt that the comment he is looking for approval to send to AMCO would be that the discretion on whether or not to allow on-site consumption remain with the municipalities.

Mr. Bryson said that as he read the regulations, he did not see if the city would be prohibited from charging a fee for allowing someone the privilege of being able to smoke on-site. He said he thinks that would be a really easy tourism funded revenue source if the city could charge a fee for on-site consumption. He said he did not see language either for or against that option.

Mr. Watt explained that the first key point to make with respect to that is the fact that with the CBJ smoking ordinance and the State's Indoor Clean Air Act, indoor smoking or vaping would not be permissible in a place of employment or commercial establishment. He said that on-site consumption would be only permissible for products being ingested via food or drink. With regard to a fee, he said that he thinks CBJ would be unable to impose a fee unless there is a rational basis for that. He deferred to Mr. Palmer. Mr. Palmer said that he does not have a specific answer to that but in looking through the fees, the State has an endorsement for consumption and that it appears to be no limitation at this time but he could look into that further.

Additional discussion took place regarding various sections of the the language of the state regulations and how the "endorsement" is an additive provision to an existing license.

There being no further discussion, the Assembly invited Mr. Jones to return to the meeting.

B. **State of Alaska Smokefree Workplace Statute**

Mr. Watt explained SB63 was passed and signed into law prohibiting smoking in certain places and he is bringing this to the Assembly's attention for a number of reasons. We already have a municipal law in effect under CBJ 36.60 which limits smoking. The question before the city is whether or not to bring our local ordinance into conformance with state statute. He noted that is normally done as a housekeeping measure but with smoking, this has been widely discussed and debated in the public and he felt it was important to bring it to the committee first. His recommendation is to mirror the state law for the purposes of enforcement and public understanding as one law is most likely to be most effective. He noted that there are some differences with the big difference that the public and business might notice is the required distance that people must be when smoking outside. Under SB63, the distance in some areas changes from 10 feet to 20 feet. He said that if that is followed and enforced, it will have a consequence in the downtown core in particular where 20 feet from a door/window opening on Franklin and Front Streets will prohibit outdoor smoking in our core and could push outdoor smoking to the edges.

Mr. Watt's recommendation would be to get a motion asking for an ordinance that updates the CBJ code include the more stringent provisions of SB63. He also pointed out, as stated in his memo, that in terms of enforcement, it will always be difficult for JPD to prioritize enforcement of this type of issue over crimes against people and crimes against property. He said there is a challenge and a big educational component that the State itself recommends to try to achieve compliance first through education and then fines later.

In terms of enforcement, it will always be difficult in prioritizing enforcement of these laws over those of crimes against persons or property.

Ms. Hale noted that when CBJ 36.60 was passed, one of the unintended consequences was that inebriated or partially inebriated people went out on the streets of S. Franklin and Front Street and smoked. Right after 36.60 passed, the atmosphere downtown at night became measurably worse because there were a lot of people out on the street smoking. She lived downtown many years and saw that first hand. She suggested it may be advisable to have a map plotted out where there are areas that people can legally smoke. If CBJ was going to adopt the 20 feet distance, it would behoove them to look at what the unintended consequences might be.

Ms. Weldon said she didn't think we have a choice on whether or not we can conform with the State Law. Mr. Palmer said that the question about conforming with state law is a little nuanced. State law authorizes the city to be more restrictive. He said there are a lot of similarities between the new state law and our existing city code. He said there are some differences and the 10 foot vs. 20 foot difference is one of those. He said that if CBJ doesn't amend its code, the 20 foot rule still exists as state law unless we opt out through the public vote process. He stated that there are some potentially minor nuances but they may be important to certain constituency but he doesn't know yet. When he did the initial review of this a couple of weeks ago, the protected places are slightly different between CBJ code and state law. He doesn't know if some of the differences are meaning but he wanted to be sure to point those out.

Mr. Jones said that the opt out option is for a complete opt out which would mean repealing our current ordinance banning the indoor smoking and it would allow people to smoke any place. He said that Sitka just had that election where that was on the ballot to opt out of the statute and it was voted down.

Additional discussion took place on what the differences between the CBJ Code and State laws really mean and they asked staff to provide additional information before they chose to take further action. Mr. Edwardson and Mr. Kiehl disagreed with Mr. Jones' opinion that it was an all or nothing opt out provision and they felt that if CBJ voters decided to opt out, then CBJ could still have its own law which had different provisions from those in the state law. Mr. Palmer said he would try to bring back a comparison document to explain the differences between the CBJ Code 36.60 and SB63 and what the Assembly's options would be.

Mr. Bryson said that currently the 10 foot smoking standard is not currently adhered to. He also stated that the ash tray receptacles are located within 20 feet of entrances to businesses so that whichever decision is made, those would need to be relocated.

Mr. Watt said they could try to provide a representative map as to what areas would or would not be prohibited in the downtown area. He said that as a practical matter, the likely places where smoking would be allowed downtown are at Marine Park or the vacant property at Ganakadeit Park or south of the Red Dog at Manila Square. He said the best course of action, given the Assembly's interest, is to develop some more information and bring it back to a future meeting.

C. **Affordable Housing Fund Update**

Chief Housing Officer Scott Ciambor gave a presentation and the history of the Affordable Housing Fund with recommendations on how to best move forward with the use of the Affordable Housing Fund dollars. He noted that they receive dozens of requests for housing development incentives each year and he is hoping that the topics he is primarily concentrating on at this time is the use of the Affordable Housing Fund through grants or loans and ways that program could be improved upon. He said other strategies such as tax abatement or CBJ land at less that fair market value for housing development would be separate issues and something that may come back to the Assembly in the future. Tonight the request from the COW would be for approval or alter the course of action for some of the proposed changes in the memo for the Juneau Affordable Housing Fund and to also approve a streamlined process and request a draft ordinance that would implement those changes as set out in Mr. Ciambor's memo in the packet.

Mr. Ciambor provided an update on how the fund came about in 2010 and was additionally funded through a $2 million dollar over five years going into the fund from a portion of the sales tax.

The recommendations for COW consideration are as follows:

1) Clarify use of the Juneau Affordable Housing Fund by creating and defining two categories for funding eligibility:
   a. Affordable Housing is in the category of 0%-80% AMI (Area Median Income), this is typically used by non-profit projects such as Housing First, JAMHI and other supportive housing, targeting low-income or special needs housing.
   b. Workforce Housing projects is generally 80%-120% AMI and is used by for-profit or non-profit developers who would use the fund for zero-interest loans. He said that across the country, workforce housing has been recognized as a huge and substantial need and some of the affordability language that would be attainable for for-profit developers would state:
   Affordability: *At least 20% of the units must be reserved for tenants with gross incomes at 80% or less AMI for ten years or the life of the loan.*
2) Establishing a grant or loan limit of $50,000 per unit created.
   a. Currently the maximum loan is lesser of $150,000 or 50% of projects cost and no more than 5% as zero-interest loans. This would address the affordability gap of at least $45,000 outlined in the Housing Action Plan.
3) Streamline the Application Process
   a. Annual application process;
   b. Similar to Community Development Block Grant program; and
   c. Create Manager's staff application review committee
4) Continue City funding stream and advocate for State match

Mr. Edwardson asked what was considered "Affordable." Mr. Ciambor said that there are two definitions of "Affordable Housing" and it is frequently confused.

A) Comes from the U.S. Housing Act in 1930 that says "Every single individual should not pay more than 30% of their income towards housing;" and
B) The Affordable Housing Industry which is 80% AMI and below type projects, typically defined by federal programming such as HUD or USDA or other agencies who are investing in housing.

Mr. Ciambor stated that "Workforce Housing" has been in use the last 10 years primarily because for-profit, affordable rentals or home ownership opportunities in this income range are hard to do without some kind of subsidy.

Mr. Edwardson expressed concerns about the fact that these aren't really affordable as they are being subsidized in through tax payer monies and that the tax payers still ultimately end up paying for it in the form of taxes.

Additional discussion took place with Mr. Watt giving the new members an overview of how we arrived at this point in time through the adoption of the Housing Action Plan. He explained that housing has been a top issue for the Assembly and there was language in Housing Action Plan which stated that the housing market was "stuck" and there were a number of ways identified on how to get "unstuck." He said that when you talk about housing the and ways the municipality can affect it, there generally are things we can do with municipal land such as property disposal to leverage an outcome that you want. Secondly, there are land use regulation codes which are always balancing the needs and desires of developers and the needs and desires of the adjacent neighbors. He said there is one of those later in the agenda. The third option is money; is there a municipal function of providing money that can provide the grease to get unstuck. Those are the tools available to the city. He said that what Mr. Ciambor is trying to do is to essentially streamline the process so the Assembly has the broad discretion to choose how to allocate the funds the Assembly has already programmed.

Mr. Watt said that is not a good point that Mr. Edwardson raised, and not that he doesn't think that the Assembly should be wary of giving public funds to developers, they should be very wary of that, but this is to balance that with the desire to get the market "unstuck."

Mr. Jones asked what the current AMI for Juneau was. Mr. Ciambor stated that the 2018 AMI is $104,900.

(Ms. Gladziszewski joined the meeting at 6:48p.m. via telephone.)

Mr. Jones and Mr. Ciambor discussed the numbers, what that looks like and some of the various options for development subsidies, grants, loans etc… that are all options in the tool box that were included in the Housing Action Plan.

Mr. Bryson asked if there was a fund for potential home owners for access to grants or loans for home buyers to purchase these homes. Mr. Ciambor said that there is not something along those lines but the programs the city does have in place are the Mobile Home loan program and also the Accessory Apt grant program.

Mr. Jones asked about the proposed review committee and asked why there are not any members outside of CBJ staff on the review committee. He said when they looked at bond issues for senior housing/assisted living, he learned a lot by having a banker and a developer in that group and he thought it would be nice to have somebody with that expertise. Mr. Ciambor explained that the current ordinance has the review and recommendation process goes through the Affordable Housing Commission but in looking at streamlining the application process and creating synergy within city staff who are already working on these projects is the goal and it is similar to the Community Development Block Grant program and they would provide information to the Assembly.

Mr. Watt explained that with respect to the granting of funds is an Assembly duty that they cannot outsource. Additional discussion took place regarding process.

MOTION by Ms. Hale that a draft ordinance be prepared reflecting the recommendations provided staff to be brought back to the Committee of the Whole.

Mr. Kiehl said he is concerned with regarding to whether these $50,000 per unit aren't addressed as to whether those would be grants or loans and his concern would be that the funds would be depleted right away if they were all grants.

Mr. Ciambor said that we currently have an application and guidelines which requests a large amount of information from these projects and this would be tweeked within these categories that were just discussed so that all the information to make very concrete well informed decisions, not only staff and the review committee, but to the Assembly. He said if they can think of all the projects that have come to the Assembly in the recent years have come outside of a process and with whatever information the project developer wants to provide. This is formalizing that process and making sure all relevant details from a consistent pro forma site plans, where it is located, how many units are going to be affordable housing, who the target population are all there within the current application guidelines and it just needs to be edited and utilized.

Mr. Jones objected to the motion. He said he doesn't understand it enough to know whether he thinks it would work or not and he is not at a stage that he is ready to make a decision as he doesn't know what the alternatives might be as they haven't received information about any possible alternatives. He said he thinks going to an ordinance now locks them into a track that prohibits them from looking at other options.

Mr. Bryson said they are missing a giant component by leaving out the citizen buyers. He said that if they granted $45,000 per unit to those who are buying the houses vs. the people who are building the housing, they would be moving a lot more houses and making houses a lot more affordable. He said he is all for making affordable housing but that the emphasis has been placed so much on the for-profit developers. He said if they are truly trying to lower the cost of housing, they are talking about mortgage payments and subsidies for first time home buyers and/or income challenged citizens.

ROLL CALL:
Yeahs: Becker, Bryson, Gladziszewski, Hale, Triem, Kiehl, Weldon
Nays: Edwardson, Jones
Motion carried 7:2

Mayor Weldon called for a 10 minute recess.

D. **Resolution in Support of Alaska Salmon Hatchery Program**

Mr. Watt noted that Mr. Jim Becker and Mr. Eric Prestigard, General Manager from DIPAC, were present in the audience and could answer questions if the Assembly had any. Mr. Watt said he included a memo in their packet along with a draft resolution that was forwarded from the Docks and Harbors Board that was brought to them by Mr. Becker. He stated that when he first read the resolution, he was in favor of it as it supported DIPAC but then he realized that there was a backdrop issue at the State Board of Fisheries which has been grappeling with "Big Fish Politics." As a result of that, Mr. Watt's general advice to the Assembly is to be careful of getting into that arena and as a result, he steered this resolution to the Committee of the Whole. He said that in interim, the Board of Fisheries rejected two very serious proposals that intended to limit hatchery production. He said that DIPAC provided some nice informational brochures on the success and economic benefits of DIPAC in terms of jobs, employment, and income into the community. He said we also recognize that DIPAC plays a big role in tourism as a visitor destination, is well loved by our school group. He said there is no longer a need for a resolution but he thinks it is important for them to know that the bigger fish politics happening at the Board of Fisheries that isn't targeted to Juneau or Southeast but could have consequences or could be pretty serious for our local hatchery (DIPAC). He said there is nothing that is required now but is a topic that will be coming back to the Board of Fish in March/April 2019 and he will try to be well ahead of the Board. They will want to balance our need and desire to protect our local business while also being careful as their role as the Capital city commenting on statewide issues. He said there is no recommendation for a resolution at this time but he wants to make them aware of this bigger battle underway.

Assemblymembers asked questions about the recent Board of Fish meeting and the two proposals that were defeated by them. Mr. Edwardson asked if they could get more up to speed on this and to hear more about it and to hear from those who are impacted by this.

Mr. Watt commented that Mr. Prestegard was present if they wished to ask him for additional information and that others could be asked to come and provide information as well. Mr. Watt stated that it appears the statewide issue, in his understanding, there is a much larger population interested in sport fishing in Cook Inlet and they have much more developed advocacy group in the interests of sport fishing and it is more difficult to balance their needs with that of the commercial gill net fleet, balanced with the needs of commercial charter fishing, and the needs of hatcheries. There are arguments about the science and what the science means and he said that he doesn't think they would get one perspective on those issues but that Mr. Prestegard is as well suited to answer any questions.

Ms. Gladziszewski said they would need a lot of information and to hear from multiple sides to give them a better idea of what they are stepping into.

Mayor Weldon said that the manager is recommending no action at this time but since Mr. Prestegard was present they would like to ask him to speak to this issue.

Mr. Eric Prestigard, Executive Director of DIPAC, addressed the resolution that was provided in the packet. He noted that most of the Southeast communities all signed this resolution including Southeast Conference. Ketchikan, Wrangell, Petersburg, Sitka, have all signed and possibly also Klawock. He said that up in South Central many of the communities, including Anchorage and several of the native organization area signed this resolution also. He said that he was at the Board of Fish meeting and this was the fourth Board of Fish meeting this year alone on this issue. He said he understands there are multiple sides and he is a hatchery person so his side is pretty obvious. He said he was well versed on the issue and was able to answer any questions they may have.

Ms. Triem asked if all the other communities who signed it, signed the same resolution language. Mr. Prestigard said yes with one exception in this resolution which included a reference to DIPAC's contribution. He stated that both the ACRs that were submitted were voted down strongly at the Board of Fish and those had followed two emergency petitions prior to those and those were also voted down in July and in March. He said they are going about it wrong but they are challenging some of the science. He noted that Juneau has some extraordinary local experts having the NOAA Lena Lab and two of scientist from out there, Bill Hurd and Alex Werheimer, who are both now-retired, long time NOAA scientists wrote a response to the ocean carrying capacity that was raised. He said if the Assembly would liek to get really involved, he could ask Alex to attend a meeting and he could spin their heads around on the subject. Ms. Triem asked Mr. Prestigard what his opinion would be on the timing of further action by the Assembly.

Mr. Prestigard stated that the Board of Fish, through a joint protocol resolution that they signed back in 2000 had formed a "Hatchery Committee" and they are somewhat reviving that committee and they will be taking a day out in the March statewide meeting to discussing hatchery issues. He said there were two very good presentations done by the Department of Fish and Game at last week's meeting. Either one of those presentations would be good for the Assembly to review if they wanted to get into it deeper.

Mayor Weldon said the Manager had asked for no action at this meeting but there is obvious appetite for more information from the Assembly if he could take that under consideration.

E. **Ordinance 2018-41 An Ordinance Amending the Land Use Code Relating to Alternative Residential Subdivisions.**

Ms. Maclean gave a presentation regarding the proposed Ordinance 2018-41 Amending the Land Use Code Relating to Alternative Residential Subdivisions (ARS).

Ms. Maclean explained that currently there are some limited options in which to undertake development. She said with a traditional subdivision, the developer has to meet the minimum lot size and other requirements of the underlying zoning district. For instance in a D1 zoning district which is much of Douglas and more out the road, they need a minimum of 36,000 square feet and there is one single family dwelling with one accessory apartment on that parcel. Another option is the planned unit development. Right now there is one being constructed on North Douglas Highway called Sunset Heights. In the case of a planned unit development, there is a minimum requirement of 2-3 acres of land to begin with, regardless of the zoning district. It is allowed in RR, D1, D3, D5, D10, D10SF, D15, D18 and Light Commercial which is similar to the one they are proposing this evening. Within that, they can make small lots or they could all be on one large lot and all the land would be in common ownership. With the planned unit development, they have notices some difficulties as they have to set aside 40% of the land for open space which is a lot of land in Juneau when there is so little build-able land to begin with. She noted that on top of that, 70% of that 40% has to be contiguous which makes it really difficult to do development. It also requires a 25 foot undisturbed buffer around the perimeter of the property which also adds to the difficulty of doing this type of development.

She said that housing is expensive in Juneau but so is development and she said they saw this as an opportunity for another tool for developers to use with the idea being similar to a staircase process of homeownership. First level of the staircase might be a homeowner purchasing a condo which would provide them ownership of the condo and maybe a balcony but they do not own the land upon which it sits and they pay fees for the common land around it and access to that. The next step might be a townhouse which is similar to condo ownership but in a multi-level structure but you still don't own the land around it. Beyond that, would be lots similar to Bonnie Brae which have homes with common walls where you do own your structure, some of the land around it but you share a common wall with your neighbor. The idea with the Alternative Residential Subdivision is to fit in the middle between the Town House scenario and the Common Wall model. Beyond common wall, the next step is single family homes.

The ARS would allow you to subdivide a property where someone could have their single family and a little bit of land around and the size of the land could vary and it can vary within one development. There could be lots that were 2,000 square feet, 5,000 sf or whatever size you wanted. You would own the structure, a bit of land, and the remainder of the parent lot would be in common ownership so that is what is lowering the price somewhat for home buyers because you are buying a smaller piece of the bigger property.

Assemblymembers asked a number of questions regarding to what types of lots would be eligible for the ARS, what uses would be allowed, as well as the open space requirements, buffers, setbacks and how this ordinance may be expanded. They also asked how this was different from "cottage housing." They also asked what the definition of "developer" was and if that would apply to private individuals as well.

Ms. Maclean explained that the ARS would not be allowed for commercial uses. They could have a recreational center, a community center, a home occupation as long as you do not have any employees there, or a child care center. The PC discussed these at length and determined that those types of needs would be permissible but they excluded other commercial uses so it didn't impact the neighbors adversely. She also noted that ARS would allow for "tiny homes" which many people have asked about. She said that with respect to the cottage housing, there is a very specific design requirement with a maximum of 12 units that was a detraction for development. This ARS ordinance would not have as strict of design requirements. Ms. Maclean explained that a "developer" in the context of this ordinance would mean anyone private or commercial wishing to develop property. She also noted that the ARS ordinance complies with Title 49 and its requirements.

Additional discussion took place regarding the Planning Commission (PC) review of this ordinance, the PC's recommendations vs. those of staff, and the types of buffers and the ability to increase density based on certain bonuses as well as identifying specific language in the ordinance that may need some additional tweaking.

Staff noted that additional study and work to be done on this ordinance it Mr. Watt stated that the idea would be to bring this back with a version (b) at a future COW meeting. This is a fairly substantive change to the land use code and it is worth spending time on this topic.

V. ADJOURNMENT

There being no further business to come before the committee, the meeting was adjourned at 8:22p.m.
Respectfully submitted,
Beth McEwen, MMC
Municipal Clerk

MEMORANDUM

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
HOUSING PROGRAM
155 S. Seward St. Juneau, Alaska 99801
Scott.Ciambor@juneau.org
Voice (907) 586-0220
DatFax (907) 586-5385

DATE: December 5, 2018
TO: Committee of the Whole

FROM: Scott Ciambor, Chief Housing Officer

Re: Juneau Affordable Housing Fund Update

Dear Committee of the Whole:

The Juneau Affordable Housing Fund (JAHF) is the main tool for the City and Borough of Juneau to provide grant and loans to workforce, affordable, and special needs housing projects.

On October 22, 2018 COW meeting, staff suggested revisions to the Juneau Affordable Housing Fund that included providing clarity on types of eligible projects (affordable, workforce housing), raising the grant or loan limits to up to $50,000 per unit created, and streamlining the application process to improve transparency and be more efficient for developers.

At the November 6, 2018 meeting, the Affordable Housing Commission recommended the proposed Juneau Affordable Housing revisions with one change -- to include a member on the review committee possibly from the Commission with direct experience operating, developing, building, and financing affordable housing projects. *The draft Program Description and Guidelines incorporates this change.*

Updates in the JAHF Program Description and Guidelines have been made with the following in mind:

- Incorporate goals of the CBJ Housing Action Plan;
- Provide a consistent timeline and application process for Assembly, staff, and developers;
- Raise the grant/loan limits; and
- To clarify terms for developers interested in the program.

Documents:

a. JAHF Program Description and Guidelines Update
b. List of Municipal Housing Trust Funds (98)
c. Example of Vancouver, WA 2018 Affordable Housing Fund project list

Action Needed: Agree to receive new Resolution which moves control of the Affordable Housing Fund to the Assembly (and removes it from the Affordable Housing Commission). Staff will work with the AHC to determine which duties (if any) it proposes to retain.

Juneau Affordable Housing Fund

Background

- 2010 Juneau Affordable Housing Fund Research & Program Development
- Alaska Coalition on Housing and Homelessness Continuum of Care Program 2012-

Packet

- Update JAHF Program Description & Guidelines
- List of local municipal housing trust funds
- Example of Vancouver, Washington 2018 Affordable Housing Fund project list

City of Vancouver, Washington (pop. 155,00) Affordable Housing Fund Project List

CITY OF VANCOUVER AFFORDABLE HOUSING FUND - 2018 APPLICATIONS Estimated Funds Available: $6,000,000										
Project Name	**Agency**	**Project Location**	**Request**	**Total Project Cost**	**Leveraging**	**Units (50% AMI)**	**Total Units**	**Target Population**	**Agency Type**	**Neighborhood**
NEW CONSTRUCTION/ACQUISITION										
Veterans Village	America for Veterans Foundation	5118 NE St. James Road	$ 735,000	$ 1,781,902	59%	18	18	Veterans	Non-Profit 501(c)(3)	West Minnehaha
Community Roots Collaborative Development	Community Roots Collaborative	TBD	$ 500,000	$ 1,002,957	50%	10	10	Currently homeless	Non-Profit 501(c)(3)	TBD
Land Acquisition Project	Evergreen Habitat for Humanity	TBD	$ 300,000	$ 1,485,000	80%	6	6	Families with children	Non-Profit 501(c)(3)	TBD
Grand Ave 14 Unit	Grand Apartments JV, LLC	2805 E 19th Ave, 98661	$ 550,000	$ 1,585,400	65%	14	14	Low income families	For-Profit Developer	Harney Heights
The Pacific	Housing Initiative LLC	3209 NE 78th Ave 7818 32nd St.	$ 600,000	$ 2,613,812	77%	18	18	People with disabilities, exiting	Non-Profit 501(c)(3)	Ogden
Recovery Residence for Women Unit Acquisition	Lifeline Connections	TBD	$ 200,000	$ 473,375	58%	4	4	Low-income women with behavioral health disorders	Non-Profit 501(c)(3)	TBD
Mercy-PeaceHealth Family Housing	Mercy Housing NW	NE 9th and NE 90th Ave	$ 850,000	$ 21,448,117	96%	73	73	Low-income families	Non-Profit 501(c)(3)	North Garrison Heights
Arnada Workforce Housing	Palindrome Communities LLC	E 16th and D Street	$ 350,000	$ 22,455,890	98%	17	83	Low-income families and individuals	For-Profit Developer	Arnada
10 Unit Acquisition	Second Step Housing	TBD	$ 500,000	$ 1,050,000	52%	10	10	Exiting homelessness, people with	Non-Profit 501(c)(3)	TBD
Multi-Family Unit Acquisition	Vancouver Housing Authority (VHA)	6305 & 6409 Kansas Ave	$ 100,000	$ 3,090,000	97%	2	26	Low-income families	Public Organization	Northcrest
REHABILITATION										
52-unit Rehabilitation	Second Step Housing	11 properties owned by Second Step	$ 215,000	$ 215,000	0%	52	52	Exiting homelessness, people with	Non-Profit 501(c)(3)	Various
Columbia House Rehabilitation	VHA	130 W 24th Street	$ 850,000	$ 37,850,000	98%	17	151	Seniors	Public Organization	Hough
Englund Manor Renovations	VHA	3720 E 18th Street	$ 850,000	$ 2,196,967	61%	29	29	Seniors	Public Organization	Harney Heights
Van Vista Rehabilitation	VHA	410 W 13th Street	$ 850,000	$ 20,500,000	96%	96	96	Seniors	Public Organization	Esther Short
132nd Ave Townhomes Rehabilitation	VHA	517 SE 132nd Ave	$ 600,000	$ 1,486,374	60%	12	12	Low-income families	Public Organization	Cascade Park West
Date: 11/27/2018		**TOTAL**	$ 8,050,000	$ 119,234,794		378	602			

Housing Action Plan

- Chapter 2: Increase the Fund capital, broaden the scope of the fund, prioritize fund for workforce, senior housing.
- Chapter 5: Preserve Existing Affordable Housing (Rehabilitation)

Juneau Economic Development Plan

- Initiative: Revitalize Downtown
- Initiative: Promote Housing Affordability and Availability

Why is this fund needed?

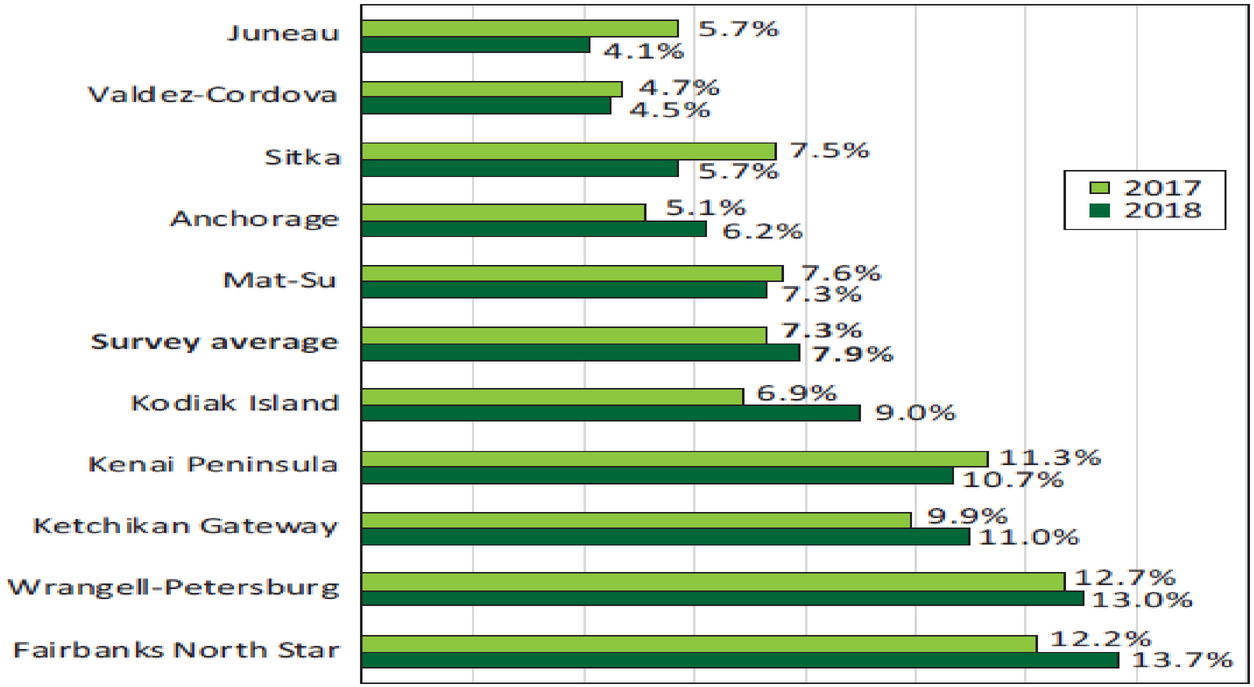
Juneau’s housing challenges are significant and long-standing – action is needed to remain vital.

CZB estimates that to achieve significant “catch-up” goals of 66 units new construction units a year and 25 preserved – HTF dollars of $3.6M would be needed annually. (***CBJ Housing Action Plan***)

Juneau Affordable Housing Fund

2 Juneau's Rental Market Becomes the Tighest

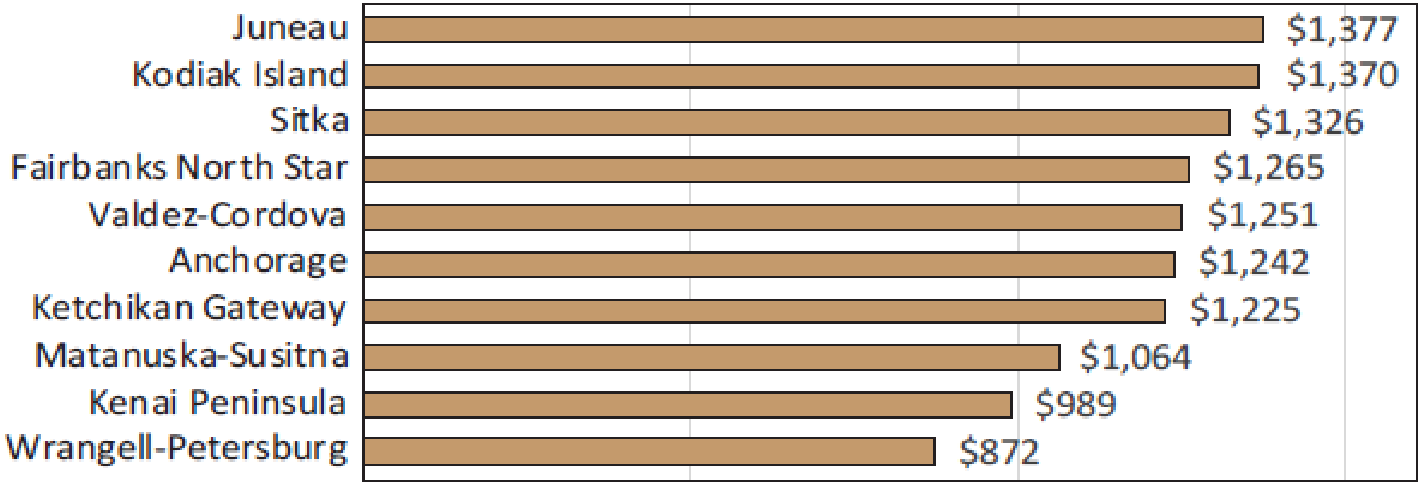
VACANCY RATES BY AREA, 2017 AND 2018



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2018 Rental Market Survey

4 Apartment Rent Highest in Juneau

Two-bedroom, 2018



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2018 Rental Market Survey

Program Description and Guidelines Changes

- Incorporate goals of the CBJ Housing Action Plan;
- Provide a consistent timeline and application process for Assembly, staff, and developers;
- Raise the grant/loan limits; and
- To clarify terms for developers interested in the program.

Availability of Funds & Funding Terms

The CBJ Assembly will determine the amount of funding available each year.

Availability of Funds & Funding Terms

- Qualifying projects are eligible for grants and loans up to $50,000 per affordable or workforce housing unit created, or for other eligible uses on a similar per unit basis.
- For profit-developer projects utilizing JAHF funds for workforce housing must reserve at least 20% of units for tenants with gross incomes at 80% or less AMI for at least ten years or the life of the loan.

Application Process

- **March:** CBJ Assembly to determine funding availability for next round. Staff report on previous JAHF activities.
- **May-June**: Press release and information on funding availability. JAHF guidelines and applications posted and made available online.
- **July:** Project proposals due
- **August:** Project proposals to review committee for scoring. Project ranking and staff analysis prepared for CBJ Committee of the Whole (COW)
- **September:** COW recommendation to Assembly for approval.
- **Late September:** CBJ Assembly approval
- **October-February:** Finalize contracts with awardees.

Juneau Affordable Housing Fund

	FY0A					FY0B						
Application Process	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
Funding availability determined												
Staff outreach and recruitment												
Open for applications												
Project proposals due												
Committee review												
Assembly approval												
Finalize contracts												

Review Committee

- Completed applications will be reviewed by staff committee
  - Chief Housing Officer; and representatives from
  - CBJ Community Development,
  - Lands & Resources Department,
  - Public Works & Engineering, and
  - Finance Department; and
  - A public member with direct experience operating, developing, building, and financing affordable housing projects, possibly from Affordable Housing Commission.

Tools for guidance for review committee

- Selection Criteria
- Appendix C: Score Sheet
- Housing Office Staff

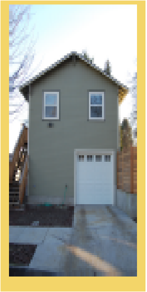
Potential FY20 Juneau Affordable Housing Fund – Round I

– Current JAHF budget balance is $927,700
– July 1, 2020: $400,000 in 1% sales tax

Potential July 1, 2020 Round I Funding = $1,327,700

CBJ Housing Programs

CBJ Mobile Home Loan Down Payment Assistance



CBJ Accessory Apartment Frequently Asked Questions

What is the CBJ Accessory Apartment Incentive Grant Program?

The CBJ Accessory Apartment Incentive Grant Program resulted in 12 additional housing units in the community and an investment of over $1 million dollars in the local housing stock.

The program was developed as a way to leverage the financial capacity of Juneau homeowners to produce more accessory apartment rental units at a cost that would be a fraction of the public investment needed to develop traditional affordable housing.

In 2015, $72,000 was made available for a pilot program. Twelve $6000 grants were allocated on a first come, first serve basis through early 2017.

CBJ investment into the program will be recovered over time through additional property taxes collected from added home value.

How does the CBJ Accessory Apartment Program work?

Applicants must be the property owner and at least 18 years of age. Only new accessory apartments are eligible for the program. The grant award is made upon inspection and receipt of a certificate of occupancy, within one year of the issuance of a building permit. More details can be at found at http://www.juneau.org/cddftp/.

How does the program meet the goals of the Housing Action Plan (HAP)?

The Housing Action Plan clearly indicates a need to create new housing opportunities for workforce, seniors, and young families in Juneau. Also:

- The CBJ needs to spend resources to develop housing and reduce drag on the economy.
- New rental units within existing homes increase density in established neighborhoods.
- Converting space is a down-size strategy for seniors and an up-size strategy for families.
- The program encourages investment into an aging housing stock through remodel and energy efficient upgrade opportunities.

What is the status of the program?

In February 2018 the CBJ Assembly approved appropriating $480,000 ($96,000 for five years) to the CBJ Accessory Apartment Incentive Grant Program. Interested applicants should contact Brenwynne Grigg in the Community Development Department at 907.586.0766.

"I utilized the funds from the grant program to invest more in the efficiency of the space by placing additional insulation and installing an ultra-efficient heat pump heating and cooling system."

CBJ Accessory Apartment Incentive Grant Program

JUNEAU AFFORDABLE HOUSING FUND

PROGRAM DESCRIPTION & APPLICATION GUIDELINES

For more information, contact:

Scott Ciambor, Chief Housing Officer
City and Borough of Juneau
155 S. Seward St.
Juneau, Alaska 99801
Phone: (907) 586-0220
Email: scott.ciambor@juneau.org

Updated Juneau Affordable Housing Fund Program

CBJ Housing Programs

Tax Abatement for Housing Development Program? TBD

Tax Abatement for Housing Development Program? TBD

JUNEAU AFFORDABLE HOUSING FUND

PROGRAM DESCRIPTION & APPLICATION GUIDELINES

For more information, contact:

Scott Ciambor, Chief Housing Officer

City and Borough of Juneau

155 S. Seward St.

Juneau, Alaska 99801

Phone: (907) 586-0220

Email: scott.ciambor@juneau.org

Contents

Background

The City and Borough of Juneau (CBJ) created the Juneau Affordable Housing Fund (JAHF) to promote the creation of affordable housing in the Capital City. On July 19, 2010, the CBJ Assembly passed an ordinance that steered $400,000 into the JAHF to begin funding local projects that promote and provide affordable housing in Juneau.

In 2017, the CBJ Assembly recommended and CBJ voters approved $2 million of the 1% Special Sales Tax renewal funds to go into the JAHF over five years (FY19-FY23).

On _____, 2018 the CBJ Assembly passed the ordinance ___ to revise the JAHF to provide larger grants and loans and to clearly promote both affordable and workforce housing development projects through an annual application process.

Program Goals and Objectives

The primary purpose for establishing the JAHF is to direct resources toward the creation of affordable (0% to 80% Area Median Income (AMI)) and workforce housing units (80% to 120% AMI) in the City and Borough of Juneau through the following activities:

- Funding capital costs of rental and ownership housing;
- Funding for capacity-building activities of non-profit housing developers;
- Funding supportive services for occupants of affordable housing; and
- Funding operating expenses of housing developments.

Availability of Funds & Funding Terms

The CBJ Assembly will determine the amount of funding available each year. JAHF funds will be made available for qualifying affordable and workforce housing projects that meet goals of the CBJ Housing Action Plan.

Funds will typically be made available in the form of grants for non-profit organizations and public housing authorities targeting households in the affordable housing range (0% to 80% AMI) and zero-interest loans for private developers that meet workforce housing (80% to 120%) affordability requirements.

- **Qualifying projects are eligible for grants and loans up to $50,000 per affordable or workforce housing unit created, or for other eligible uses on a similar per unit basis.**
- **For profit-developer projects utilizing JAHF funds for workforce housing must**

reserve at least 20% of units for tenants with gross incomes at 80% or less AMI for at least ten years or the life of the loan.

The scope and nature of these projects may require deviation from these program guidelines that CBJ Housing staff will review with the City Manager on a case by case basis.

Eligibility

Eligible Applicants

- Nonprofit organizations
- Public housing authorities
- For-profit developers

Eligible Uses

- For acquisition, construction, rehabilitation or preservation of affordable housing located within the City and Borough of Juneau, including activities such as:
  - Pre-development project expenses, such as land surveys, site engineering, and permitting;
  - Purchase of developed real estate or land;
  - Fees for architects and other professionals;
  - Demolition to make way for affordable housing; and
  - Building materials and labor costs.

- Costs incurred by nonprofit organizations to develop or implement a specific affordable housing project. Examples include:
  - Capacity building such as training, legal and accounting costs;
  - Technical assistance such as development consultants; and
  - Project operating assistance following completion of construction or rehabilitation, such as utilities, support services staff, debt service, and rent subsidies.
- Operating Expenses for up to three years for existing and new housing developments in the promotion of affordable housing. Examples include project-specific assistance for:
  - Security deposit escrows; and
  - Operating costs, such as utilities, debt service, and rental subsidies.

- Self-sufficiency assistance such as job skills training, job search assistance, financial/housing counseling, substance abuse aid, mental health care, and childcare.

Priorities for the Juneau Affordable Housing Fund

The priorities of the JAHF match with the CBJ Housing Action Plan

1. ***Use of capital to develop housing units*:** Funding for capital costs for acquisition, construction, rehabilitation, or preservation of affordable housing especially workforce housing, senior housing, and homeowner opportunities for young adults and families are preferred.
2. ***Long-Term Affordability*:** Units created using JAHF funds that include affordability covenants or that are permanently affordable are preferred.

Application Process

Applications for the JAHF will be posted online and made available when the Assembly determines funding availability each year. Prior to application release, potential applicants are encouraged to contact the CBJ Chief Housing Officer with questions about the program and how individual housing projects may utilize the funds.

Completed applications will be reviewed by a committee to include the Chief Housing Officer and representatives from CBJ Community Development, Lands & Resources Department, Public Works & Engineering, and Finance Department; and to include a public member with direct experience operating, developing, building, and financing affordable housing projects. The review committee will score projects based on the selection criteria and score sheet.

A tentative annual schedule for each funding round is as follows:

March: CBJ Assembly to determine funding availability for next round. Staff report on previous JAHF activities.
May-June: Press release and information on funding availability. JAHF guidelines and applications posted and made available online.
July: Project proposals due
August: Project proposals to review committee for scoring. Project ranking and staff analysis prepared for CBJ Committee of the Whole (COW)
September: COW recommendation to Assembly for approval.
Late September: CBJ Assembly approval
October -February: Finalize contracts with awardees

All applications are ultimately approved by the CBJ Assembly in an open public process. Applicants should expect their submitted project plans, costs and other supporting documentation will be available to the public. The Assembly may impose or modify terms, conditions, and other provisions that clearly protect the public interest.

Selection Criteria

Projects considered to be ready or feasible will be evaluated with the following criteria:

1. **Team Experience:** (1)Demonstrated experience on projects of similar size and scope; (2) Established development and/or operating partnerships, including support services; (3) Qualified staff – Developer, Director, Property Manager, Supportive Services; and (4) Capacity to maintain/manage project.

2. **Population Targeting & JAHF Priority Targeting**: (1) Use of capital to develop housing units; (2) Long-term or permanent affordability; and (3) Serves one or more priority populations: seniors, workforce housing, homeowner options for young families.

3. **Project Design and Characteristics**: **For Capital projects**: (1) Plans stamped by appropriate engineer or architect, or professionally qualified staff on the development team; (2) Energy Efficiency: JAHF projects should be energy-efficient and adhere to either the Alaska Building Energy Efficiency Standard (BEES) or HUD's Energy Star Home Standard. **For programs/operational projects**: (1) Comply with national guidance/best practice for target population. **For all projects**: (1) Accessibility Standards**:** Proposals must be comply with the federal Fair Housing Act (42U.S.C. 3601-3619) and the Americans with Disabilities Act of 1990.

4. **Feasibility:** (1) Ability to secure other financing needed to carry out project; (2) Operational feasibility/long-term financial viability; and (3) Reasonable and balanced budget with cost controls. The intention for JAHF funds is to assist projects that need gap financing and have a 100% chance of being successful. Site ownership, the percentage of total costs supported by other funding sources, and work schedule for the project will factor.

5. **Readiness to Proceed:** (1)Leveraging/percentage of total cost with commitments; (2) Site ownership; (3) Plans, environmental permitting, estimate complete; (4) Construction/Operation within following fiscal year

6. **Juneau Applicant Preference**: Locally owned project proposals will be weighed higher than other JAHF proposals.

Score Sheet: A sample of the score sheet used by the review committee is included as Appendix C.

Compliance and Monitoring

The CBJ, at any time, inspect and monitor the records and work of the proposed project as to performance and compliance with JAHF program rules and loan requirements. Project information, including rents and tenant income will be collected annually through the affordability period.

The CBJ City Manager may terminate any agreement in the event that awardees: 1) lose the ability to proceed with the project, 2) make material alterations, or 3) fail to comply with the project schedule.

Annual Report

An annual JAHF report will be presented to the CBJ Committee of the Whole in preparation for future funding rounds. The report will include:

- project progress reports;
- Details on funds disbursed, JAHF expenses, amount of leveraged funds acquired; and
- Guidance on funding availability for the following year.

Appendix A: Glossary of Terms

- **Affordable Housing -** The U.S. Department of Housing and Urban Development defines "Affordable" as housing costs no more than 30 percent of a household's monthly income. This means rent and utilities in an apartment or the monthly mortgage payment and other housing expenses (utilities, home maintenance and repairs) for a homeowner should be less than 30 percent of monthly household income. Housing programs targeting households with income between 0% and 80% AMI are also considered "affordable" programs.
- **Area Median Income** -. HUD uses the median income for families to calculate income limits for eligibility in a variety of housing programs. HUD Income Limits by size of household are used by JAHF to determine level of affordability. See Appendix B.
- **Assumable soft debt –** Mortgages or loans that can be taken over by anther individual to maintain favorable interest rates or affordability.
- **Capacity-building** - Activities that increase the operating efficiencies of agencies or organizations that create more affordable housing, including organizational assistance, training, legal, and accounting costs – but specifically to support the housing project proposed.
- **Capital Funds** - Funding contributed for the development, acquisition, rehabilitation, or new construction of the physical structure.
- **Extremely Low-income households** - Households with incomes at the HUD 30% Limit. See Appendix B.
- **Gap Financing** - Loans or grants used for housing development projects that bridge the gap between available funding sources, usually a combination of raised capital and state or federal housing subsidies.
- **Local dedicated revenue source** - Affordable housing funds are most successful when securing a local dedicated revenue source; a source of public revenue directed at affordable housing activities.
- **Low-income households** - Households with incomes at the HUD 80% Limit. See Appendix B.
- **Non-profit Organization** - A corporation of foundation granted exemption from income taxation by the IRS.
- **Ownership housing** - Housing for which the sales price minus the sum of grants and deferred loans provided to the borrower results in a monthly payment which qualifies a low-income household for a mortgage loan under standard lender underwriting standards.
- **Recoverable Loans** - Loans provided for activities such as predevelopment costs. Loans are required to be paid back once long-term funding has been secured for the project.
- **Self-sufficiency Assistance** -Services that help residents become more productive and capable of independent living, such as job training, budget counseling, substance-abuse treatment, and childcare.
- **Unit** - A self-contained apartment with sanitation and kitchen facilities within the apartment or partial facilities in the unit and other shared facilities located on the same floor as the unit.
- **Very Low-income households** - Households with incomes at the HUD 50% Limit. See Appendix B.
- **Workforce housing:** housing that is affordable to households between 80% and 120% of area median income.
- **Zero-interest loans** - Zero interest loans are loans with full repayment of the principle is expected.

Appendix B: Income Limits and Maximum Affordable Rents

2018 Income Limits							
2018	Area Income	1 Person	2 People	3 People	4 People	5 People	6 People
80% AMI	$ 83,920.00	$ 40,280.00	$ 46,040.00	$ 51,800.00	$ 57,520.00	$ 62,160.00	$ 66,760.00
85% AMI	$ 89,165.00	$ 42,797.50	$ 48,917.50	$ 55,037.50	$ 61,115.00	$ 66,045.00	$ 70,932.50
90% AMI	$ 94,410.00	$ 45,315.00	$ 51,795.00	$ 58,275.00	$ 64,710.00	$ 69,930.00	$ 75,105.00
95% AMI	$ 99,655.00	$ 47,832.50	$ 54,672.50	$ 61,512.50	$ 68,305.00	$ 73,815.00	$ 79,277.50
100% AMI	**$ 104,900.00**	**$ 50,350.00**	**$ 57,550.00**	**$ 64,750.00**	**$ 71,900.00**	**$ 77,700.00**	**$ 83,450.00**
105% AMI	$ 110,145.00	$ 52,867.50	$ 60,427.50	$ 67,987.50	$ 75,495.00	$ 81,585.00	$ 87,622.50
110% AMI	$ 115,390.00	$ 55,385.00	$ 63,305.00	$ 71,225.00	$ 79,090.00	$ 85,470.00	$ 91,795.00
115% AMI	$ 120,635.00	$ 57,902.50	$ 66,182.50	$ 74,462.50	$ 82,685.00	$ 89,355.00	$ 95,967.50
120% AMI	$ 125,880.00	$ 60,420.00	$ 69,060.00	$ 77,700.00	$ 86,280.00	$ 93,240.00	$ 100,140.00

Source: https://sites.google.com/site/alaskamortgagelimits/hud-median-income-limits

2018 Maximum Affordable Rents						
	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
30% AMI	$ 377.63	$ 404.63	$ 485.63	$ 561.00	$ 625.88	$ 690.56
50% AMI	$ 629.38	$ 674.38	$ 809.38	$ 935.00	$ 1,043.13	$ 1,150.94
80% AMI	$ 1,007.00	$ 1,079.00	$ 1,295.00	$ 1,496.00	$ 1,669.00	$ 1,841.50
85% AMI	$ 1,069.94	$ 1,146.44	$ 1,375.94	$ 1,589.50	$ 1,773.31	$ 1,956.59
90% AMI	$ 1,132.88	$ 1,213.88	$ 1,456.88	$ 1,683.00	$ 1,877.63	$ 2,071.69
95% AMI	$ 1,195.81	$ 1,281.31	$ 1,537.81	$ 1,776.50	$ 1,981.94	$ 2,186.78
100% AMI	**$ 1,258.75**	**$ 1,348.75**	**$ 1,618.75**	**$ 1,870.00**	**$ 2,086.25**	**$ 2,301.88**
105% AMI	$ 1,321.69	$ 1,416.19	$ 1,699.69	$ 1,963.50	$ 2,190.56	$ 2,416.97
110% AMI	$ 1,384.63	$ 1,483.63	$ 1,780.63	$ 2,057.00	$ 2,294.88	$ 2,532.06
115% AMI	$ 1,447.56	$ 1,551.06	$ 1,861.56	$ 2,150.50	$ 2,399.19	$ 2,647.16
120% AMI	$ 1,510.50	$ 1,618.50	$ 1,942.50	$ 2,244.00	$ 2,503.50	$ 2,762.25

Appendix C: Score Sheet

Rating and Ranking Criteria Evaluation Criteria	Total Points	Outstanding (10 points)	Good (6 to 8points)	Marginal (3 or 4 points)	Unacceptable (0 points)	Subtotal
1. Team Experience • Demonstrated experience on projects of similar scope & nature • Established development and/or operating partnerships, including support services • Qualified staff – Developer, Director, Property Manager, Supportive Services • Capacity to maintain/manage project	20					
2. JAHF Priority and Population Targeting • Capital project • Long-term or permanent affordability • Serves one or more priority populations: seniors, workforce housing, homeowner options for young families	20					
3. Project Design and Characteristics For Capital projects: • Plans stamped by appropriate engineer or architect, or professionally qualified staff on the development team • Energy Efficiency (Alaska Building Energy Efficiency Standard or HUD's Energy Star Home Standard) • Accessibility (Comply with Fair Housing Act and the Americans with Disabilities Act) Operational Projects: comply with national guidance/best practice	25					
4. Feasibility • Ability to secure other financing needed to carry out project • Operational feasibility/long-term financial viability • Reasonable and balanced budget with cost controls	10					
5. Readiness to Proceed • Leveraging/percentage of total cost with commitments • Site ownership • Plans, environmental permitting, estimate complete • Construction/Operation within following fiscal year	20					
6. **Juneau Applicant Preference**	5					
Total	100					

Applicant:____________________________Evaluator:__________________________Date:

CENTER *for* COMMUNITY CHANGE

Housing Trust Fund Project
Center for Community Change
www.housingtrustfundproject.org

City Housing Trust Funds 2018

City	Housing Trust Fund	Date Created	Administering Agency
Juneau, Alaska	Housing Trust Fund	2010	Juneau Economic Development Council
Tucson, Arizona	Housing Trust Fund	2006	Community Services Department
Anaheim, California	Housing Trust Fund	2005	Community Development Department
Berkeley, California	Housing Trust Fund	1990	Housing Development
Campbell, California	Housing Trust Fund	2006	Community Development Department
Citrus Heights, California	Affordable Housing Trust Fund	2003	Housing and Grants Division
Cupertino, California	Affordable Housing Fund	1987	Community Development Department
Elk Grove, California	Affordable Housing Fund	2003	Planning
Emeryville, California	Housing Trust Fund	2014	Economic Development and Housing
Fremont, California	Affordable Housing Development Fund	2014	Housing Division
Livermore, California	Housing Trust Fund	2005	Community Development

Long Beach, California	Housing Trust Fund	2005	Housing Services Bureau
Los Angeles, California	Affordable Housing Trust Fund	2002	Housing Department
Los Angeles, California	Affordable Housing Impact Trust Fund	2017	Chief Administrative Officer
Mammoth Lakes, California	Housing Trust Fund	2003	Mammoth Lakes Housing
Menlo Park, California	Below Market Rate Housing Program	1988	Community Development
Morgan Hill, California	Senior Housing Trust Fund		
Mountain View, California	Housing Trust Fund		
Oakland, California	Affordable Housing Trust Fund	2003	Community and Economic Development Agency
Oxnard, California	Affordable Rental Housing Trust Fund	2003	Housing
Palo Alto, California	Affordable Housing Fund	1974	Planning and Community Development
Pasadena, California	Housing Trust Fund	1993	Housing and Community Development Department
Petaluma, California	Housing Fund	2003	Housing
Redwood, California	Affordable Housing Fund	2015	Community Development Department
San Diego, California	Housing Trust Fund	1990	San Diego Housing Commission
San Francisco City and County, California	Housing Trust Funds	1987; 2012	Office of Housing
San Jose, California	Housing Trust Fund	2003	Department of Housing
San Jose, California	Housing Impact Fee Fund	2014	Department of Housing
Santa Cruz, California	Affordable Housing Trust Fund	2003	Planning and Community Development

Santa Monica, California	Citywide Housing Trust Fund	1986	Housing Division
Santa Rosa, California	Housing Trust	2004	Economic Development and Housing
Sunnyvale, California	Housing Trust Fund		
West Hollywood, California	Affordable Housing Trust Fund	1989	Rent Stabilization and Housing
Boulder, Colorado	Community Housing Assistance Program	1991	Housing and Human Services
Boulder, Colorado	Affordable Housing Funds	2009	Housing and Human Services
Breckenridge, Colorado	Construction Fund	2016	sales tax
Denver, Colorado	Affordable Housing Fund	2016	Office of Economic Development
Longmont, Colorado	Affordable Housing Fund	2000	Community Services
Fairfield, Connecticut	Affordable Housing Trust Fund	2018	Community and Economic Development
Atlanta, Georgia	Beltline Housing Trust Fund	2009	Beltline Partnership
Savannah, Georgia	Housing Trust Fund	2011	City Manager
Arlington Heights Village, IL	Housing Trust Fund	2013	Plng & Cmty Develop Dept
Chicago, Illinois	Low Income Housing Trust Fund	1989	Department of Housing
Evanston, Illinois	Affordable Housing Fund	2007	Community Development Department
Highland Park, Illinois	Affordable Housing Trust Fund	2004	Planning Division
Lake Forest, Illinois	Housing Trust Fund	2006	Housing and Neighborhood Development
St. Charles, Illinois	Housing Trust Fund	2012	Planning Division
Bloomington, Indiana	Housing Trust Fund	1996	Housing and Neighborhood Development

Evansville, Indiana	Housing Trust Funds	2002	Department of Community Development
Indianapolis, Indiana	Housing Trust Fund	2000	Division of Economic Development
Council Bluffs, Iowa	Housing Trust Fund	2010	Community Development Departrment
Dubuque, Iowa	Housing Trust Fund	1992	Housing & Community Development
Sioux City, Iowa	Housing Trust Fund	2006	Community Development
Lawrence, Kansas	Housing Trust Fund	2000	Neighborhood Resources
Lexington, Kentucky	Affordable Housing Trust Fund	2014	Office of Affordable Housing
Louisville, Kentucky	Affordable Housing Trust Fund	2007	LAHTFund Board
New Orleans, Louisiana	Neighborhood Housing Improvement Fund	1992	Division of Housing and Neighborhood Development
Portland, Maine	Housing Trust Fund	2003	Housing and Community Development Division
Baltimore, Maryland	Affordable Housing Trust Fund	2016	Department of Housing and Community Development
Massachusetts	Community Preservation Act	2000	172 communities
Boston, Massachusetts	Neighborhood Housing Trust	1983	Department of Neighborhood Development
Boston, Massachusetts	AFSCME Council 93 AFL-CIO Housing Trust Fund	2005	Metro Boston
Cambridge, Massachusetts	Affordable Housing Trust	1988	Community Development Department
Salem, Massachusetts	Housing Trust Fund	2006	Dept of Plng & Cmty Development
Somerville, Massachusetts	Housing Trust Fund	1989	Housing Department
Ann Arbor, Michigan	Housing Trust Fund	2004	Office of Community Development

Detroit, Michigan	Affordable Housing Development and Preservation Fund	2017	Housing and Revitalization Department
Minneapolis, Minnesota	Affordable Housing Trust Fund	2003	Community Planning and Economic Development
Redwing, Minnesota	Affordable Housing Trust Fund	2015	Housing and Redevelopment Authority
St. Paul, Minnesota	Neighborhood STAR Program	1994	Department of Planning and Economic Development
Jackson, Mississippi	Housing Trust Fund	2015	Department of Planning and Development
St. Louis, Missouri	Affordable Housing Trust Fund	2001	Affordable Housing Commission
New Jersey	New Jersey Fair Housing Program	1985	296 jurisdictions
Albuquerque, New Mexico	Workforce Housing Trust	2007	Community Development
Santa Fe, New Mexico	Community Housing Trust	1990	Division of Community Development
New York, New York	Battery Park City Housing Trust Fund	2005	HPD Office of Development
Yonkers, New York	Housing Trust Fund		
Asheville, North Carolina	Housing Trust Fund	2000	Community Development
Charlotte, North Carolina	Housing Trust Fund	2002	Neighborhood Development Department
Ashland, Oregon	Housing Trust Fund	2008	Community Development
Bend, Oregon	Housing Trust Fund	2007	CDBG/Affordable Housing
Cannon Beach, Oregon	Affordable housing programs	2017	City manager
Corvallis, Oregon	Affordable housing programs	2016	City manager
Hood River, Oregon	Affordable housing programs	2017	City of Hood River

Portland, Oregon	Housing Investment Fund	1996	Portland Housing Bureau
Portland, Oregon	Inclusionary Housing Fund	2016	Portland Housing Bureau
Philadelphia, Pennsylvania	Housing Trust Fund	2005	Office of Housing and Community Development
Pittsburgh, Pennsylvania	Housing Opportunity Fund	2016	Urban Redevelopment Authority
Greenville, South Carolina	Housing Trust Fund	2017	CommunityWorks
Chattanooga, Tennessee	Affordable Housing Trust Fund	2018	Economic and Community Development
Knoxville, Tennessee	Affordable Housing Trust Fund	1993	East Tennessee Foundation
Nashville, Tennessee	Barnes Fund for Affordable Housing	2013	Metropolitan Develop & Hsng Agency
Austin, Texas	Housing Trust Fund	1999	Neighborhood Housing and Community Development
San Antonio, Texas	Housing Trust	1988	San Antonio Housing Trust
Salt Lake City, Utah	Housing Trust Fund	1991	Salt Lake City Corporation
Burlington, Vermont	Housing Trust Fund	1987	Community and Economic Development
Montpelier, Vermont	Revolving Loan Fund	2005	Department of Planning and Community Development
Alexandria, Virginia	Housing Trust Fund	1993	Office of Housing
Arlington, Virginia	Affordable Housing Investment Fund	1988	Housing Division
Charlottesville, Virginia	Housing Fund	2007	Neighborhood Development Services
Fairfax, Virginia	Housing Trust Fund	2015	Community Development and Planning
Norfolk, Virginia	Housing Trust Fund	2015	Department of Development

Bainbridge Island, Washington	Housing Trust Fund	1999	Planning and Community Development
Bellingham, Washington	Home Fund	2012	Planning and Community Development
Olympia, Washington	Home Fund	2018	Community Planning and Development
Seattle, Washington	Housing Levy Program	1986	Office of Housing
Vancouver, Washington	Affordable Housing Fund	2016	Community and Economic Development Department
Madison, Wisconsin	Affordable Housing Fund	2004	Community Development Office
Milwaukee, Wisconsin	Housing Trust Fund	2006	Department of Administration

CITY OF VANCOUVER AFFORDABLE HOUSING FUND - 2018 APPLICATIONS Estimated Funds Available: $6,000,000										
Project Name	**Agency**	**Project Location**	**Request**	**Total Project Cost**	**Leveraging**	**Units (50% AMI)**	**Total Units**	**Target Population**	**Agency Type**	**Neighborhood**
NEW CONSTRUCTION/ACQUISITION										
Veterans Village	America for Veterans Foundation	5118 NE St. James Road	$ 735,000	$ 1,781,902	59%	18	18	Veterans	Non-Profit 501(c)(3)	West Minnehaha
Community Roots Collaborative Development	Community Roots Collaborative	TBD	$ 500,000	$ 1,002,957	50%	10	10	Currently homeless	Non-Profit 501(c)(3)	TBD
Land Acquisition Project	Evergreen Habitat for Humanity	TBD	$ 300,000	$ 1,485,000	80%	6	6	Families with children	Non-Profit 501(c)(3)	TBD
Grand Ave 14 Unit	Grand Apartments JV, LLC	2805 E 19th Ave, 98661	$ 550,000	$ 1,585,400	65%	14	14	Low income families	For-Profit Developer	Harney Heights
The Pacific	Housing Initiative LLC	3209 NE 78th Ave 7818 32nd St.	$ 600,000	$ 2,613,812	77%	18	18	People with disabilities, exiting	Non-Profit 501(c)(3)	Ogden
Recovery Residence for Women Unit Acquisition	Lifeline Connections	TBD	$ 200,000	$ 473,375	58%	4	4	Low-income women with behavioral health disorders	Non-Profit 501(c)(3)	TBD
Mercy-PeaceHealth Family Housing	Mercy Housing NW	NE 9th and NE 90th Ave	$ 850,000	$ 21,448,117	96%	73	73	Low-income families	Non-Profit 501(c)(3)	North Garrison Heights
Arnada Workforce Housing	Palindrome Communities LLC	E 16th and D Street	$ 350,000	$ 22,455,890	98%	17	83	Low-income families and individuals	For-Profit Developer	Arnada
10 Unit Acquisition	Second Step Housing	TBD	$ 500,000	$ 1,050,000	52%	10	10	Exiting homelessness, people with	Non-Profit 501(c)(3)	TBD
Multi-Family Unit Acquisition	Vancouver Housing Authority (VHA)	6305 & 6409 Kansas Ave	$ 100,000	$ 3,090,000	97%	2	26	Low-income families	Public Organization	Northcrest
REHABILITATION										
52-unit Rehabilitation	Second Step Housing	11 properties owned by Second Step	$ 215,000	$ 215,000	0%	52	52	Exiting homelessness, people with	Non-Profit 501(c)(3)	Various
Columbia House Rehabilitation	VHA	130 W 24th Street	$ 850,000	$ 37,850,000	98%	17	151	Seniors	Public Organization	Hough
Englund Manor Renovations	VHA	3720 E 18th Street	$ 850,000	$ 2,196,967	61%	29	29	Seniors	Public Organization	Harney Heights
Van Vista Rehabilitation	VHA	410 W 13th Street	$ 850,000	$ 20,500,000	96%	96	96	Seniors	Public Organization	Esther Short
132nd Ave Townhomes Rehabilitation	VHA	517 SE 132nd Ave	$ 600,000	$ 1,486,374	60%	12	12	Low-income families	Public Organization	Cascade Park West
Date: 11/27/2018		**TOTAL**	$ 8,050,000	$ 119,234,794		378	602			

CITY AND BOROUGH OF
JUNEAU
ALASKA'S CAPITAL CITY
COMMUNITY DEVELOPMENT

(907) 586-0757
Jill.Maclean@juneau.org
www.juneau.org/CDD
155 S. Seward Street • Juneau, AK 99801

MEMORANDUM

Date: December 6, 2018

To: Assembly Committee of the Whole

From: Jill Maclean, AICP, Director Jill Maclean

RE: Revisions to Ordinance 2018-41: Alternative Residential Subdivisions

Ordinance 2018-41 was introduced and referred to the Committee of the Whole. At the November 19, 2018 COW meeting, staff was asked to identify any sections of the ordinance that are duplicative to Title 49 and therefore not necessary to the ordinance; to review the draft language and expand upon provisions for separated pedestrian access within an Alternative Residential Subdivision (ARS) development, and recommended seeking feedback from the Planning Commission on this item. The Planning Commission then agreed at their November 27, 2018 meeting that the Title 49 Subcommittee would meet on December 3, 2018 to discuss the pedestrian access item.

Upon reviewing the draft language of the ordinance, staff has found that the following sections are not duplicative of Title 49, and should remain in the ordinance:

- *49.15.920 (l) Stormwater management*
- *49.15.920 (n) Street sign*
- *49.15.920 (o) Mailboxes*

On December 3, 2018, Title 49 Subcommittee reviewed the draft language and discussed potential triggers that would automatically require an ARS development to install a separated pedestrian access, including the following:

- Minor vs. Major Development
- Number of Dwelling Units/Lots
- Average Daily Trips (ADT)
- Zoning District

After discussing these options, the committee agreed that attempting to require a separated pedestrian access with a specific trigger may have negative impacts on development given the various characteristics of buildable land that is remaining in the borough, i.e. topography, wetlands, streams. Additionally, the committee agreed that applying a blanket condition that requires the installation of a separated pedestrian access without the ability to take into account the individual site, may negate the flexibility that the ARS is designed to provide, thus potentially compromising development opportunities by making a site less attractive for an ARS project. After deliberating the possible options, the committee agreed that the best approach to ensure that a separated pedestrian access is installed when necessary is to augment the existing ordinance language as follows (proposed language is underlined, existing language that attention is called to is bolded, and the page numbers are according to the draft ordinance page number, not the packet page number):

- *49.15.920 (e)(3)(F) Density (p.4):*
    - *Five percent in the RR, D-1, D-3, D-5, and D-10SF zoning districts, and ten percent in the D-10, D-15, D-18 and LC zoning districts for providing <u>separated</u> shared use pathways to facilitate <u>safe</u> pedestrian and bicycle movement within the development and to ensure non-vehicular access to open space, common facilities and to public services*

- *49.15.920 (f)(2) Frontage and access (p.5):*
    - *The access does not endanger public safety or welfare <u>and provides for safe pedestrian and vehicular traffic circulation</u>*

- *49.15.940(b)(2) Preliminary development. plan (p.9):*
    - *The application shall include a preliminary development plan, explaining how the proposed alternative residential subdivision will achieve the purposes set forth in section 49.15.900. The preliminary development plan shall summarize the different land uses proposed, including the amount of land for housing, open space, buffer, access, parking and <u>pedestrian circulation</u>; the number and types of housing units and proposed density; the natural features to be protected and hazards to be avoided; and the public, if any, and private services to be provided*

- *49.15.940(b)(3) Design (p.9):*
    - *The application shall describe the design of the alternative residential subdivision, with particular attention to building siting, massing, access, parking, and architectural features; provision of utilities including drainage and trash collection; provision of winter maintenance for access and parking areas; and **the circulation of traffic and pedestrians***

- *49.15.940(b)(4) Open space, common facilities, and general landscaping (p.9):*
    - *The preliminary plat shall show and describe common facilities, <u>pedestrian circulation to common facilities and amenities</u>, open space, buffers, landscaping, and similar features*

- *49.15.940(b)(6)(C) Description of phased development (p.9 - 10):*
    - *A description of the access <u>(pedestrian and vehicular)</u> connecting all the phases and where they will connect at the alternative residential subdivision boundaries;*

Presented by: The Manager
Introduced: 10/15/18
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2018-41(b)

An Ordinance Amending the Land Use Code Relating to Alternative Residential Subdivisions.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

Section 2. Amendment of Chapter. Title 49, Chapter 15 is amended to by adding a new article IX, to read:

ARTICLE IX. ALTERNATIVE RESIDENTIAL SUBDIVISIONS

49.15.900 Purpose.

The general purpose of this article is to provide reasonable minimum standards and procedures for unit-lot residential communities in which all or some of the lots do not substantially conform to the minimum requirements for a traditional subdivided lot. This article provides a housing option to allow dwellings on unit-lots to be conveyed by long-term leases, less than fee-simple ownership, or fee-simple ownership, including condominium and other common-interest communities. The specific purpose of this article is to permit flexibility in the regulation and use of land in order to promote its most appropriate use for unit-lot residential communities; to encourage residential developments that are planned, designed and developed to function as integral units with common facilities; to encourage developments that provide different types of housing options; to encourage development of quality affordable housing; to facilitate the adequate and economical provisions of access and utilities; and to encourage developments that are in harmony with the surrounding area.

49.15.910 Application.

The provisions of this article apply when a parent lot is subdivided into developable unit-lots and where a portion of the parent lot remains.

49.15.920 General provisions.

(a) *General*. The requirements of this title apply except as provided in this article.

(b) *Zoning districts*. An alternative residential subdivision is only allowed in the following zoning districts: RR, D-1, D-3, D-5, D-10SF, D-10, D-15, D-18, and LC.

(c) *Lot size*. The parent lot shall be at least 150 percent of the minimum lot size for the zoning district in which it is located. There is no minimum size for the unit-lots.

(d) *Other dimensional standards*. The minimum lot dimensions, lot coverage, vegetative coverage shall be applied to the parent lot and not the unit-lots.

(e) *Density*.

(1) The number of dwelling units permitted in the development shall be calculated by multiplying the maximum number of dwelling units per gross acre permitted in the underlying zoning district by the number of acres in the alternative residential subdivision and rounding to the nearest whole number.

(2) Land and water bodies used in calculating the number of dwelling units permitted shall be delineated on the preliminary and final plans in a manner allowing confirmation of acreage and density computations.

(3) The commission may award a density bonus as an incentive for enhancements to the development. The total bonus shall not exceed 50 percent in the RR, D1, D3, D5, D10 zoning districts, and 25 percent in the D-10SF, D15, D18 and LC zoning districts of the density provided in subsection (e)(1) of this section and rounded to the nearest whole number and shall be the sum of individual density bonuses as follows:

(A) Five percent for each ten percent increment of open space in excess of that required in the zoning district to a maximum bonus of fifteen percent for open space in excess of that required;

(B) Five percent for a continuous setback greater than 50 feet or ten percent for a continuous setback greater than 50 feet on both sides of a stream, if applicable, designated in the plan as undisturbed open space along important natural water bodies, including anadromous fish streams, lakes, and wetlands;

(C) Fifteen percent for a mixture of housing units restricted by a recorded document for a period of 30 years from the first sale (i) in which ten percent of the dwelling units are set aside for lower income households earning no more than 80 percent of the area median income; or (ii) in which twenty percent of the dwelling units are set aside for workforce households earning no more than 120 percent of the area median income.

(D) Up to ten percent for provision of common facilities and additional amenities that provide an unusual enhancement to the general area, such as siting, landscaped buffers, or the creation or preservation of view corridors;

(E) Ten percent for dedication of a public right-of-way accessible to all unit-lots consistent with Chapter 49.35;

(F) Five percent in the RR, D-1, D-3, D-5, and D-10SF zoning districts, and ten percent in the D-10, D-15, D-18 and LC zoning districts for providing shared use pathways to facilitate pedestrian and bicycle movement within the development and to ensure non-vehicular access to open space, common facilities and to public services;

(G) Five percent for designing all dwelling structures to a five-star plus energy efficiency rating; ten percent for designing all dwelling structures to a six-star energy efficiency rating; and

(H) Up to ten percent for using high-efficiency primary heating methods, such as heat pumps, in all dwelling structures.

(4) A density bonus may be limited or denied if it will more probably than not:

(A) Materially endanger public health or safety;

(B) Substantially be out of harmony with property in the neighboring area;

(C) Lack general conformity with the comprehensive plan or another adopted plan; or

(D) Create an excessive burden on roads, sewer, water, schools, or other existing or proposed public facilities.

(f) *Frontage and access*. The parent lot shall front on and be accessed by a publically maintained right-of-way. Access within the development may be exempted from 49.35 and be privately owned and maintained if it complies with the following requirements:

(1) The access shall be located completely on the parent lot;

(2) The access does not endanger public safety or welfare;

(3) The access complies with the emergency service access requirements of CBJ 19.10;

(4) Access to and within the development is paved;

(5) The developer submits adequate evidence that upon approval of the development, a homeowners' association will be formed, can obtain liability insurance, and is solely responsible for maintaining the private access—including winter maintenance; and

(6) The alternative residential subdivision does not abut a developable parcel that lacks alternative and practical frontage on a publically maintained right-of-way.

(g) *Utilities*. An alternative subdivision is required to connect each dwelling unit to public sewer and water. A master meter for water shall be installed by the developer.

(h) *Parking*. Parking required for each dwelling unit may be located on either the parent lot or the unit-lot.

(i) *Open Space*. Open space is required as follows: 25 percent in the RR and D-1 zoning districts; 20 percent in the D-3, D-5 and D-10 zoning districts; 15 percent in the D-10SF district. Open space is not required in the D-15, D-18, or LC zoning districts.

(j) *Buffer*. There are no setback requirements on the unit-lots. A perimeter buffer is required in lieu of the setback requirements of this title on the parent lot. The presumptive buffer width shall not be less than the setback set by the underlying zoning district to ensure neighborhood harmony and minimize off-site impacts. The commission may enlarge a buffer or a portion of a buffer up to 25 feet in total width, and the commission may reduce a buffer or a portion of a buffer by 75 percent of the setback for the underlying zoning district. The commission may only enlarge or reduce the buffer width upon considering, but not limited to: type of buffer, location of the subdivision structures and uses therein; the location and type of surrounding uses or development; topography; and the presence of existing visual and sound buffers. A buffer shall be vegetated unless the commission requires non-vegetated screening. A buffer may include fencing, natural berm, or other similar features. No parking areas, dwelling units, unit-lots, or permissible uses may be located within the perimeter buffer. Access to the development may cross a portion of the buffer.

(k) *Parent lot*. Portions of the parent lot not subdivided into unit-lots shall be owned in common by a homeowners' association, or similar entity, comprised of the owners of the unit-lots located within the parent lot.

(l) *Stormwater management*. Facilities for the control and disposal of stormwater must be adequate to serve the development and areas draining through the development. Management shall be in accordance with the Stormwater Best Management Practices manual. Where appropriate, natural drainage channels, swales, or other similar areas within the open space may be used for stormwater management at the development. The developer shall provide the CBJ Engineering and Public Works Department with an evaluation of offsite drainage outfalls for the additional runoff contributed by the alternative residential subdivision. The commission may require construction of offsite drainage improvements necessary to accommodate additional runoff from the development.

(m) *Permitted uses*. No primary uses are permitted on the parent lot except a recreational center, community facility, or a child care center. Consistent with the Table of Permissible

Uses, 49.25.300, only residential uses and associated accessory structures are allowed on the unit-lots. Accessory dwelling units are prohibited on the parent lot and on any unit-lots. A home occupation or a child care home is permissible on the unit-lots. If an alternative residential subdivision creates a lot that complies with the Table of Dimensional Standards, 49.25.400, for the underlying zoning district, the accessory dwelling unit prohibition of this subsection does not apply.

(n) *Street sign*. Street signage is required. The developer shall install a street sign provided by the City and Borough of Juneau at the developer's expense. The director shall determine the type of street sign—addresses or street name—upon considering public health, safety, and welfare given the size of the subdivision.

(o) *Mailboxes.* Upon consultation with the United States Postal Service, the director shall determine the placement location of mailboxes. The director may require additional improvements and design changes to enable efficient mail delivery and to minimize traffic interferences and compliance with CBJ standard details.

49.15.930 Alternative residential subdivision review process.

(a) *General procedure.* A proposed alternative residential subdivision shall be reviewed according to the requirements of section 49.15.330, conditional use permit, and in the case of an application proposing a change in the number or boundaries of unit-lots, section 49.15.402, major subdivisions, except as otherwise provided in this article. Approval shall be a two-step process, preliminary plan approval and final plan approval. In cases involving a change in the number or boundaries of unit-lots, the preliminary and final plat submissions required by section 49.15.402 shall be included with the preliminary and final plan submissions required by this chapter.

(b) *Preapplication conference.* Prior to submission of an application, the director shall conduct an informal preapplication conference with the developer to discuss the proposed alternative residential subdivision. The purpose of the preapplication conference shall be to exchange general and preliminary information and to identify potential issues and bonuses. The developer may discuss project plans and the director may provide an informal assessment of project permit eligibility, but no statement made by either party shall be regarded as binding, and the result of the conference shall not constitute preliminary approval by the department. The conference shall include a discussion of the zoning, size, topography, accessibility, and adjacent uses of the development site; the uses, density and layout of buildings, parking areas, the open space and landscaping proposed for the development; the common facilities; provision of utilities, including solid waste and recycling collection; the access, the vehicle and pedestrian circulation, and winter maintenance including snow removal locations; the development schedule and the alternative residential subdivision permit procedures. The developer shall provide a sketch of the proposed alternative residential subdivision.

49.15.940 Preliminary alternative residential subdivision plan approval.

(a) *Application*. The developer shall submit to the department one copy of a complete alternative residential subdivision application, which shall include an application form, the required fee, any information required in subsection 49.15.402, the information required by this section, and any other information specified by the director.

(b) *Required submissions*. The application shall include the following material:

(1) *Ownership*. The application shall identify, and shall be signed by or upon, the included written authorization of, all owners, lessees, and optionees of land within the boundaries of all phases of the alternative residential subdivision.

(2) *Preliminary development plan*. The application shall include a preliminary development plan, explaining how the proposed alternative residential subdivision will achieve the purposes set forth in section 49.15.900. The preliminary development plan shall summarize the different land uses proposed, including the amount of land for housing, open space, buffer, access, and parking; the number and types of housing units and proposed density; the natural features to be protected and hazards to be avoided; and the public, if any, and private services to be provided.

(3) *Design*. The application shall describe the design of the alternative residential subdivision, with particular attention to building siting, massing, access, parking, and architectural features; provision of utilities including drainage and trash collection; provision of winter maintenance for access and parking areas; and the circulation of traffic and pedestrians.

(4) *Open space, common facilities, and general landscaping*. The preliminary plat shall show and describe common facilities, open space, buffers, landscaping, and similar features.

(5) *Request for density bonuses*. If a density bonus is being applied for, the application shall include a narrative describing the justification for the requested bonus, and the application shall show the nature and extent of the requested bonus.

(6) *Description of phased development*. The preliminary development plan for a phased alternative residential subdivision shall include:

(A) A drawing and development schedule for each phase and for the entire alternative residential subdivision;

(B) The size and general location of proposed land uses for each phase at the maximum level of density, including maximum allotment of density bonuses;

(C) A description of the access connecting all the phases and where they will connect at the alternative residential subdivision boundaries;

(D) A description of how the developer will address the cumulative impacts of the phased development on the neighborhood and the natural environment;

(E) A description of the overall design theme unifying the phases;

(F) An analysis of how each phase in the project will meet the requirements of subsection 49.15.960(b); and

(G) A sketch plat consistent with 49.15.410.

(c) *Department review*. The director shall advise the developer whether the alternative residential subdivision application is complete, and, if not, what the developer must do to make it complete. Within 45 days after determining an application is complete, the director shall schedule the preliminary plan for a public hearing before the commission. The director shall give notice to the developer and the public according to section 49.15.230.

(d) *Commission action*. The commission may approve an alternative residential subdivision preliminary plan if it meets the following requirements:

(1) The development protects natural features and avoids natural hazards by reserving them as open space;

(2) The development is consistent with the land use code;

(3) The development incorporates perimeter buffers sufficient to minimize off-site impacts of the subdivision and to maximize harmony with the neighborhood;

(4) Utilities proposed for connection to the City and Borough system meet City and Borough standards, and all others are consistent with sound engineering practices, as determined by the City and Borough Engineering and Public Works Department;

(5) The configuration of the development provides for economy and efficiency in utilities, housing construction, access, parking and circulation;

(6) If the approval is for a phased development, that each phase is consistent with the preliminary development plan and design of the entire alternative residential subdivision;

(7) Adequately addresses the cumulative impacts of the phased development on the neighborhood and the natural environment; and

(8) If the approval includes an allotment of a density bonus, the density bonus complies with section 49.15.920(e)(4).

(e) *Expiration*. Approval of a preliminary plan shall expire 18 months after the commission notice of decision unless a final plan for the entire project or, in the case of a phased development, the first phase thereof, is submitted to the department for commission action. An application for extension of a preliminary plan shall be according to section 49.15.250, development permit extension.

49.15.950 Final alternative residential subdivision plan approval.

(a) *Application*. Upon completion of all conditions of the preliminary plan, the developer shall submit an application, fee, and a final plan for commission approval.

(b) *Homeowners' association.* The formation of a homeowners' association, or similar entity, is required.

(1) The articles of incorporation and bylaws of the homeowners' association, required under A.S. 34.08 or this chapter, shall be prepared by a lawyer licensed to practice in the state.

(2) The homeowners' association shall be responsible for the maintenance of open space, water and sewer utilities, and stormwater control features and drainages. The association documents shall specify how any other common facilities shall be operated and maintained. The association documents shall require homeowners to pay periodic assessments for the operation, maintenance and repair of common facilities. The documents shall require that the governing body of the association adequately maintain common facilities.

(3) If the alternative residential subdivision is phased, the association documents shall specify how the cost to build, operate, and maintain improved open space and common facilities shall be apportioned among homeowners of the initial phase and homeowners of later phases.

(4) The homeowners' association documents shall be recorded with the approved final plat.

(c) *Commission action.* The commission may approve the final plan if it substantially conforms to the approved preliminary plan and all requirements of this article.

(d) *Expiration.* An approved final plan shall expire 18 months after recording if the applicant fails to obtain an associated building permit and make substantial construction progress. An application for extension of a final plan shall be according to section 49.15.250, development permit extension.

49.15.960 Phased development.

(a) *Phasing allowed*. An applicant may develop an alternative residential subdivision in phases, provided the initial application includes a preliminary development plan sufficient to assess the cumulative effects of the entire alternative residential subdivision on the neighborhood and the environment according to the standards in subsection 49.15.940.

(b) *Completion of an individual phase*. Each phase shall be so designed and implemented that, when considered with reference to any previously constructed phases but without reference to any subsequent phases, it meets the design and density standards applicable to the entire alternative residential subdivision. Construction and completion of open space and common facilities serving each phase in an alternative residential subdivision shall proceed at a rate no slower than that of other structures in that phase. No phase shall be eligible for final plan approval until all components of all preceding phases are substantially complete and homeowners' association documents have been approved.

(c) *Standards for phases*. Each phase of an alternative residential subdivision shall be reviewed according to the provisions of this chapter then current. Each phase of an alternative residential subdivision shall maintain design continuity with earlier phases. At no point during a phased development shall the cumulative density exceed that established in the approved preliminary plan.

49.15.970 Amendments to approved alternative residential subdivision plan.

(a) *Request for amendment*. The developer of an alternative residential subdivision may request an amendment to an approved preliminary or final alternative residential subdivision plan. The request shall state the reasons for the amendment and shall be submitted in writing to the director, who shall inform the developer within 15 days whether the request shall be processed as a minor amendment or major amendment.

(b) *Minor amendment*. A minor amendment may be submitted without a filing fee and may be approved by the director. For purposes of this section, a minor amendment is a change consistent with the conditions of the original plan approval, and would result in:

(1) Insignificant change in the outward appearance of the development;

(2) Insignificant impacts on surrounding properties;

(3) Insignificant modification in the location or siting of buildings or open space;

(4) No reduction in the number of parking spaces below that required;

(5) A delay of no more than one year in the construction or completion schedule for the project or, in the case of a phased project, the phase for which the amendment is requested.

(c) *Major amendment*. All other amendments shall be reviewed by the commission upon payment of a filing fee and in accordance with the requirements of the original plan approval.

Section 3. Amendment of Section. CBJ 49.80.120 Definitions, is amended by adding the following new definitions in alphabetical order, to read:

<u>*Parent lot* means the original lot and the residual area from which unit-lots are created through an alternative residential subdivision.</u>

<u>*Unit-lot* means any lot, site, parcel, unit-site, and similar geographically defined property that is created through an alternative residential subdivision and that is substantially smaller than the minimum lot size required for the zoning district.</u>

Section 4. Amendment of Section. CBJ 49.85.100 Generally [Chapter 49.85 Fees for Land Use Actions], is amended by adding a new fee for Alternative Residential Subdivisions, to read:

49.85.100 Generally.

...

(8) Special use or area.

...

(G) Alternative Residential Subdivisions.

(i) Preliminary plan application approval, $400.00 plus $80.00 per residential unit;

(ii) Final plan approval, $300.00 plus $60.00 per residential unit.

...

Section 5. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this ________ day of ________________________, 2018.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801
Telephone: 586-5240| Facsimile: 586-5385

DATE: December 7, 2018

TO: Deputy Mayor Maria Gladziszewski
CBJ Assembly

FROM: Rorie Watt
City Manager

RE: Waterfront Infill Development (Archipelago Area)

Attached is the appraisal for the draft purchase and sale agreement with Archipelago Properties, LLC. In accordance with my last update to the Assembly, we have instructed the appraiser to value the component portions of the proposed agreement. The appraiser found that if the parties agreed that in his assessment CBJ should pay $764,975.

Subsequently there has been a slight adjustment of the property lines to allow for property turning radius for the design vehicles that would enter the passenger vehicle staging area.

Adjusting the values based on the appraised values and only adjusting the square footage acquired, this would change the value of the money from CBJ to Morris to increase from $764,975 to $922,175.

Provided that the Assembly chooses to proceed with the PSA and the project, I believe that paying $922,175 is an appropriate use of public funds.

Recommendation:
Agree to the introduction of an Ordinance authorizing a purchase and sale agreement.

APPRAISAL REPORT
MARKET VALUE DIFFERENCE
CBJ AND ARCHIPELAGO
PURCHASE AND SALE AGREEMENT
ARCHIPELAGO SITE
356 SOUTH FRANKLIN STREET
JUNEAU, ALASKA

AERIAL PHOTO OF SUBJECT PROPERTY HIGHLIGHTED IN PURPLE. PHOTO SOURCE PND ENGINEERING

PREPARED FOR: Carl J. Uchytil, PE, Port Director
City and Borough of Juneau Docks and Harbors
155 South Seward Street
Juneau, Alaska 99801

PREPARED BY: Charles E. Horan, MAI
HORAN & COMPANY, LLC
403 Lincoln Street, Suite 210
Sitka, Alaska 99835

EFFECTIVE DATE: November 16, 2018

REPORT DATE: December 10, 2018

OUR FILE #: 17-142 – Dec. 2018

HORAN & COMPANY

REAL ESTATE APPRAISERS/CONSULTANTS

CHARLES E. HORAN MAI / WILLIAM G. FERGUSON,
JOSHUA C. HORAN, AND SLATER M. FERGUSON

403 LINCOLN STREET, SUITE 210, SITKA, ALASKA 99835

PHONE NUMBER: (907)747-6666 FAX NUMBER: (907)747-7417 commercial@horanappraisals.com

December 10, 2018

Carl J. Uchytil, PE, Port Director
City and Borough of Juneau Docks and Harbors
155 South Seward Street
Juneau, Alaska 99801 Sent via email to: carl_uchytil@juneau.org

Re: Appraisal Report Market Value Difference CBJ and Archipelago Purchase and Sale Agreement, Archipelago Site, 356 South Franklin Street, Juneau, Alaska, Our File #17-142 – Dec. 2018

Dear Mr. Uchytil:

The CBJ and Archipelago Properties, LLC are negotiating a real property Purchase and Sale Agreement (PSA) that results in a mutually beneficial exchange of properties to be purchased and sold at market value and grants additional temporary and permanent easements, restriction on development in specific locations, and the planned, but not required, construction of municipal improvements that would provide benefit to Archipelago. The CBJ is acquiring more land interest than it is giving up, resulting in a deficit. The CBJ code requires that it be compensated for the sale of any real estate interest for not less than its market value and that it does not purchase a real estate interest for more than market value.

The purpose of the appraisal is to estimate the market value difference in the real property interest being exchanged subject to the PSA, which we have reviewed, and a copy of which is in the addenda of this report. The effective date is November 16, 2018. The intended users of this report are the owners involved; City and Borough of Juneau and Archipelago Properties, LLC (Morris). The intended use of the appraisal, is as a basis for calculating the difference in the acquisition values. This appraisal has not been completed for any other use or any other users.

The PSA envisions a variety of shared access and mutually beneficial uses that cancel each other out or do not have a measurable market impact. These include the reciprocal temporary construction easements (Section 10 of PSA), mutual access between properties and a retaining wall maintenance easement (Section 13 PSA). Elements of the agreement which represent measurable compensable market value are summarized below. The summary shows the value of the purchased real estate for its fee simple interest by each party offset by value elements which benefit Archipelago.

CBJ purchase fee property		$2,850,135
Less Archipelago purchase fee property	$1,252,400	
Less benefit of fill behind seawall	$ 420,935	
Less access along northern property line	$ 60,000	
Less objection to development portion Lot 1	$ 194,625	
Total Archipelago acquired		$1,927,960
CBJ balance due		**$922,175**

It should be noted that cost of construction does not necessarily equate to value realized in the market, especially the cost of public infrastructure. This appraisal anticipates a hypothetical development of the site and is subject to the final wording of the agreement and surveyed areas. The appraisal is made based on hypothetical conditions, extraordinary assumptions and other generalized assumptions and limiting conditions outlined in the attached report. These values could be modified if those assumptions or conditions change.

The attached report includes the Assumptions and Limiting Conditions, Certification of Appraisal, Definitions, and the most pertinent data considered and analyses used in arriving at a final conclusion.

Thank you for this opportunity to be of service. If you have any questions or comments, please feel free to contact me.

Respectfully Submitted,

Charles Horan

Charles E. Horan, MAI AA41
HORAN & COMPANY, LLC

Slater Ferguson

Slater Ferguson, #133619

TABLE OF CONTENTS

CERTIFICATION OF APPRAISAL

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.

- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

- The use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives.

- We have made a personal inspection of the property that is the subject of this report.

- No one provided significant real property appraisal assistance to the person signing this certification.

- Charles Horan completed a valuation consultation on this property, effective December 4, 2017. We have not performed any other services regarding the subject property, as an appraiser or in any other capacity, within the three year period immediately preceding acceptance of this assignment.

- As of the date of this report, Charles Horan has completed the continuing education program for Designated Members of the Appraisal Institute.

Charles Horan
Charles Horan, MAI
APRG 41
November 16, 2018
Effective Date of Appraisal

Slater Ferguson
Slater Ferguson
133619
December 10, 2018
Date of Report

1 INTRODUCTION

1.1 PROPERTY IDENTIFICATION

FIGURE 1.1 - The existing site configuration showing proposed new subdivision line and properties to be sold and purchased by each party. Not to scale - for visual purposes only.

Location

The proposed exchange involves a large, undeveloped area between 356 South Franklin Street and 388 South Franklin Street, in downtown Juneau, Alaska; between the CBJ parking structure-Library to the north, and the Pacific Pier Building (Pier 49 Building) to the south. These lands are in the heart of the Juneau cruise ship pedestrian retail corridor. This block of land extends from South Franklin Street southwest to the Seawalk. See Figure 1.1.

Background

The current configuration includes Lots 1 and 2 owned by Archipelago Properties, LLC, controlled by Morris Communications (Morris), Lot 3 and a portion of Lot 4 currently owned by CBJ Docks and Harbors (CBJ), all within the Archipelago Subdivision Plat 2013-22.

These adjacent land owners are negotiating a mutually beneficial reconfiguration (purchase and sale-exchange) of their lands which include portions of existing plated lots. Under the current draft of the Real Property Purchase and Sales Agreement (PSA),which we marked 10/29/18 Draft (copy in the Addenda), the boundary lines are proposed to be altered (Section 3). This will shift CBJ ownership along South Franklin Street to the south and access to the remaining land seaward (west) of the new property line within the larger area. As a result of the agreement, the CBJ will acquire certain fee simple property and give certain easements and concessions to Archipelago Properties, LLC, who will also give up certain fee simple property in the newly reconfigured subdivision. In calculating the exchange values within the hypothetically subdivided area the appraisal will disregard improvements and existing title encumbrances and address those envisioned by the proposed (PSA).

Section 10 of the PSA indicates the CBJ and Archipelago will grant temporary construction easements (TCE) for development of each respective owner's lands. The benefits are mutual and do not reflect a valuable property right beyond the benefit obtained from the other party. While there may be cost avoidance on both sides which may not be equal, these are project related for the benefit of each individual party.

Section 13 of the PSA provides mutual regulated access easements across each other's boundary lines, maintenance agreements and a retaining wall maintenance easement. These are mutually beneficial elements not considered a valuable compensable real estate right on either side of the agreement[1].

There are several elements of the agreement however which reflect a transfer of valuable real estate interests, the value of which are estimated in this appraisal. The following

[1] Both sides give access along the new common property line. The city gets access to maintain its retaining wall and Archipelago gets the enduring benefit of the retaining wall to support its up lands highest and best use development.

outlines those elements which are considered to have an impact on the real estate rights sold by the CBJ.

- Section 3, provides the market square foot (SF) value of the land to be **sold and purchased** which are not of equal value.
- Section 9 of the PSA indicates the CBJ will construct a **retaining wall,** creating filled lands on Archipelago's Property, presently not filled. The enhanced value of the newly filled lands will be estimated based on the value of these lands as filled, minus the value as unfilled, based on our valuation matrix.
- Section 12 of the PSA allows Archipelago non-exclusive access for service vehicles and utilities along the common strip of land adjacent to the public parking structure along the north property line. The easement language and area impacted will be considered as best as it is known to the appraiser by the completion of the appraisal. This creates a **beneficial access** attribute to the Archipelago property, encumbering off site interests in CBJ property.

Section 14 of the PSA grants Archipelago the **right to object** to improvements placed on a portion of Lot 1 of the Archipelago subdivision, which may impair, interfere, or unfairly compete with businesses taking place on its adjacent upland property. This appears to limit future economic uses on the CBJ remainder land after the exchange. The fee simple value of this area will be discounted to reflect the market value of this encumbrance. The general location of these valuation elements are identified in Figure 1.2, an adaptation of the PSA exhibit D (below).

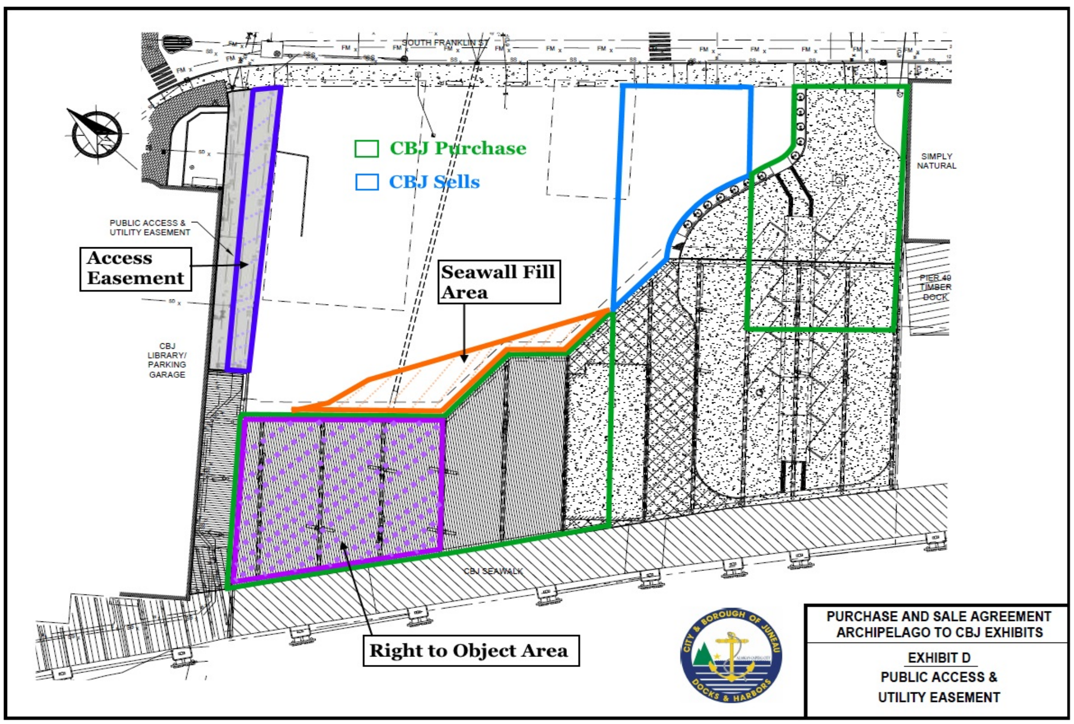


FIGURE 1.2 - PSA Exhibit D (Draft 11/23/18) modified by appraiser to show valuation elements of the purchase and sale agreement not to scale.

1.2 PURPOSE OF APPRAISAL

The purpose of the appraisal is to estimate the market value difference in the real property interest being exchanged subject to the PSA. The CBJ is acquiring more land interest than it is giving up, resulting in a deficit to be made up by cash or equivalent. CBJ code requires the land acquired not to be done in excess of appraised market value.

1.3 INTENDED USERS AND INTENDED USE

The client is the City and Borough of Juneau. The intended users are the owners involved; City and Borough of Juneau and Archipelago Properties, LLC (Morris).

The intended use of the appraisal, is as a basis for calculating the difference in the acquisition values. This appraisal has not been completed for any other use or any other users.

1.4 EFFECTIVE DATE OF APPRAISAL

The effective date of the appraisal is November 16, 2018. The subject property was inspected on December 4, 2017 by Charles Horan, MAI Appraiser, with Allen Grinalds of Morris Communications. Mr. Horan also viewed the property October 1, 2018. It is considered an extraordinary assumption of this report that no significant changes have been made to the subject property since the inspection date.

1.5 SCOPE OF THE APPRAISAL

The character of the property is estimated by the appraiser with the assistance of CBJ-GIS maps, documents, aerial photography, surveys, maps, and other exhibits available to the appraiser. The appraiser also made a walk-through inspection of the subject on December 4, 2017, and has observed it from time to time as a neighborhood feature during routine appraisal work in the area over the last 30 years. The appraiser last viewed the property October 1, 2018.

The final value is subject to final surveying and size estimates of the land and rights to be exchanged. It's an extraordinary assumption of this appraisal that the agreement and the exhibits are as described herein. The appraisal is made subject to certain extraordinary assumptions about the impact of legal rights acquired or reserved. If any of these assumptions is found to be different, it could impact the values estimated herein.

Primary reliance for estimating the value distribution of the various sites has been on estimating the market value on a per SF basis, based on a variety of market transactions. These include land sales, capitalized land leases, and adjustments to improved properties to indicate the land value contribution of particular sales.

The appraisal concludes SF values by certain areas of site value characteristics, such as topography and location within the larger land area, influenced by proximity to South Franklin Street.

In order to identify transactions of competitive properties, the appraiser obtained comparable information through interviews with knowledgeable participants in the real estate market, such as existing land owners, the City, lenders, brokers, the State Recorder's Office, and others who are familiar with the Juneau real estate market. After finding transfers of property that might be comparable, we attempted to contact the buyer, seller, and other parties knowledgeable of the transaction to determine the details of sale and physical characteristics of the site.

1.6 ASSUMPTIONS AND LIMITING CONDITIONS

Given the intended use and users of the appraisal, our analysis and the concluded SF values are subject to certain hypothetical conditions (HC) and extraordinary assumptions (EA) as follows:

Hypothetical Conditions (HC)

HC 1. The property rights appraised are the fee simple interest. The existing easements are ignored. Given the purpose of the appraisal it focuses on the area transferred with a larger parcel based on the sizes contributed by each of the exchanging parties as hypothetically subdivided.

HC2 The existing improvements do not add value to the proposed development plans or the highest and best use and are considered to add no value nor are considered an encumbrance to the land as appraised.

Extraordinary Assumptions

EA 1. The parcels are economic units that are not impaired by size or shape.

EA 2. The upland parcel has frontage on the 300 Block of South Franklin Street near road grade.

EA 3. The upland parcel has suitable soil conditions so that extraordinary piling costs are not necessary to support typical buildings found in the 300/400 Blocks of South Franklin Street.

EA 4. The sloping tideland and submerged parcel may require a piling foundation for development at a cost not to exceed $150 per square foot.

EA 5. All utility services are available to the parcels.

EA 6. The tideland parcel has frontage on the Seawalk.

EA 7. The final value is subject to final surveying and size estimates of the land and property rights to be exchanged.

EA 8. The purchase and sale agreement and referenced exhibits have not been finalized. It's an extraordinary assumption of this appraisal that the agreement and the exhibits are as described herein. The appraisal is made subject to certain extraordinary assumptions about the impact of legal rights acquired or reserved.

EA 9. No significant changes have been made to the subject land since the prior inspection date of December 4th, 2017 and viewing of the property October 1, 2018.

This appraisal report and valuation contained herein are also expressly subject to the additional following assumptions and/or conditions:

1. It is assumed the data, maps and descriptive data furnished by the client or his representative are accurate and correct. Photos, sketches, maps, and drawings in this appraisal report are for visualizing the property only and are not to be relied upon for any other use. They may not be to scale.

2. The valuations are based on information and data from sources believed reliable, correct and accurately reported. No responsibility is assumed for false data provided by others.
3. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property. No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management. It is assumed that the title to the property is marketable. No investigation to this fact has been made by the appraiser.
4. The property described herein has been examined exclusively for the purpose of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property.

5. This appraisal report may or may not note any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and make no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.

6. The appraiser obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or

private sources that the appraiser believe to be true and correct. It is assumed that no conditions existed that were undiscoverable through normal diligent investigation which would affect the use and value of the property. No engineering report was made by or provided to the appraiser.

7. The Client is the party or parties who engage an appraiser (by employment contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, and other media.

8. The appraisal report may not be properly understood without access to the entire report. The appraisal is to be considered in its entirety, the use of only a portion thereof will render the appraisal invalid.

9. If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without signification deviation.

10. Any distribution of the valuation in the report between land, improvements, and personal property applies only under the existing program of utilization. The separate valuations for land, building, and chattel must not be used in conjunction with any other appraisal and is invalid if so used.

11. One (or more) of the signatories of this appraisal report is a member or associate member of the Appraisal Institute. The bylaws and regulations of the Institute require each member and candidate to control the use and distribution of each appraisal report signed by such member or candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report in its entirety to such third parties as selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of signatories of this appraisal report.

12. The appraiser shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described herein unless prior arrangements have been made.

If any of these hypothetical conditions or assumptions are found to be different, it could impact the values estimated herein.

1.7 TERMINOLOGY

Market Value

The definition of Market Value to be used in the appraisal is as follows: "The price in (terms of) money that the property could be sold for on the open market under fair conditions between an owner willing to sell and a buyer willing to buy, with a reasonable time allowed to find a purchaser. State v. 7.026 Acres, Sup. St. Op. No.601, 466 P2d 364, 365; (1970)." The opinion further reads, in part: "The highest and most profitable use for which the property is adaptable is to be considered, to the extent that the prospect of demand for such use affects the market value while the property is privately held. Fair Market value is normally based on the parcel's fee simple value"

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, Page 78

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

(USPAP, 2010-2011 ed.) *The Dictionary of Real Estate Appraisal*, 5th Edition, Appraisal Institute, Page 97

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

(USPAP, 2010-2011 ed.) *The Dictionary of Real Estate Appraisal*, 5th Edition, Appraisal Institute, Pages 73

2 MARKET AND AREA ANALYSIS

2.1 JUNEAU AREA ANALYSIS

Overall Market

The demand for real property is driven by population, which is in large part driven by employment.

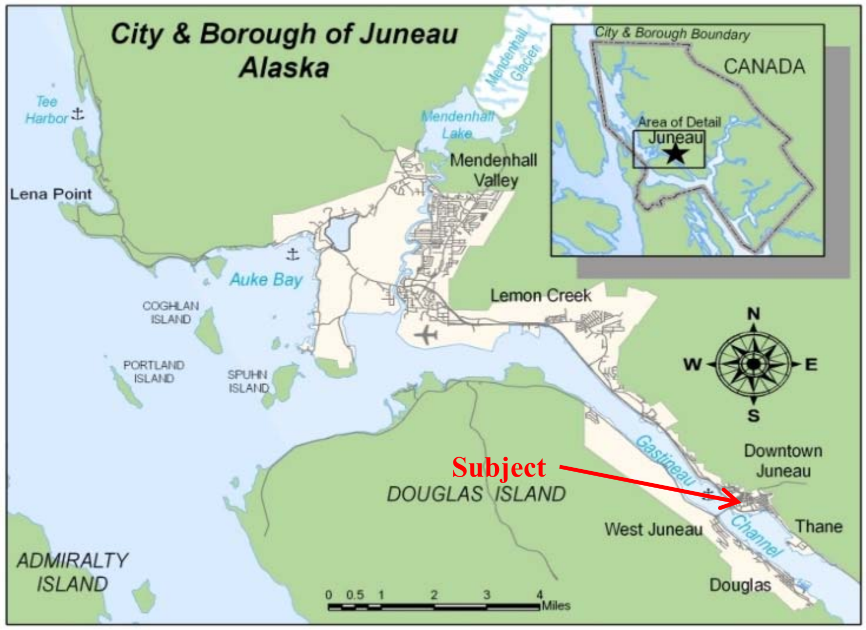


FIGURE 2.1 – Juneau Location Map

The Juneau economy is primarily driven by the government. 38% of all jobs and 46% of all wages in Juneau are Federal, State or Tribal Government, based on the Juneau Economic Development Council (JEDC) 2017 report on the 2016 numbers. This shows a decline from prior years, when 40% of all jobs and 50% of wages were in the combined government sector. The private sector has been growing, but remained flat from 2015 to 2017. Despite continued cuts in state employment, Juneau's economy shows resilience due to diversifying elements such as tourism, mining (Greens Creek and Kensington), and regional and local health care. The seafood industry had an off year, but this is relatively cyclical.

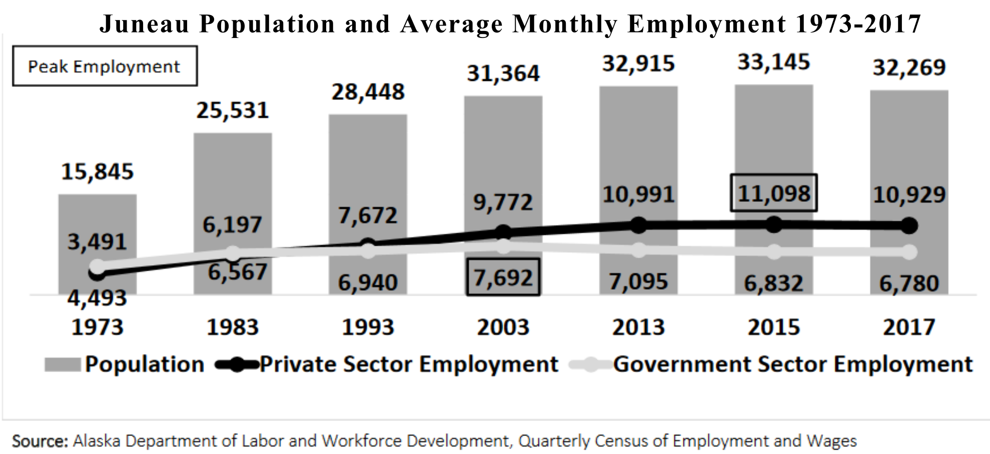


FIGURE 2.2 - Population and average monthly employment for Juneau, published by the Juneau Economic Development Council, August 2018

The Juneau and Southeast Alaska Economic Indicators August 2018, released by the Juneau Economic Development Council (JEDC-2018), indicates that from 2016 "Juneau's average monthly employment declined by 221, from 17,930 in 2015 to 17,709 in 2017." This was mostly due to 52 government job losses. Despite these losses, earnings in Juneau went up slightly over the same time as a result of increased annual government wages. Between 2013 and 2016 there was a rise in self employment by sole proprietors (2,572 to 2,894). The unemployment rate in Juneau has fallen from about 5% to 4.5% from 2013 to 2017. Juneau's per capita income grew about 5% between 2013 and 2015, but appears to be leveling. Juneau is still on average about 12% higher than the state average. These indicators seem to suggest a leveling of the economy.

According to the Alaska Department of Labor estimates included in JEDC's report, Juneau's **population** declined for the first time in 10 years, dropping almost 900 from 2015 to 2017, which indicated 32,269. Juneau's annual growth rate over the past 10 years has been 0.1% compared to southeast regional growth of 0.3% and the overall state growth of 0.8% annually compounded.

2.2 JUNEAU CRUISE SHIP PASSENGER TRENDS

Juneau's downtown waterfront has developed over the past several decades in response to the increasing cruise ship tourism to the area. The volume has increased over time from a low in 2010 of 871,000 passengers, topping 1,072,000 for the 2017 season as indicated by Figure 2.4, Cruise Ship Passenger Visitation Numbers.

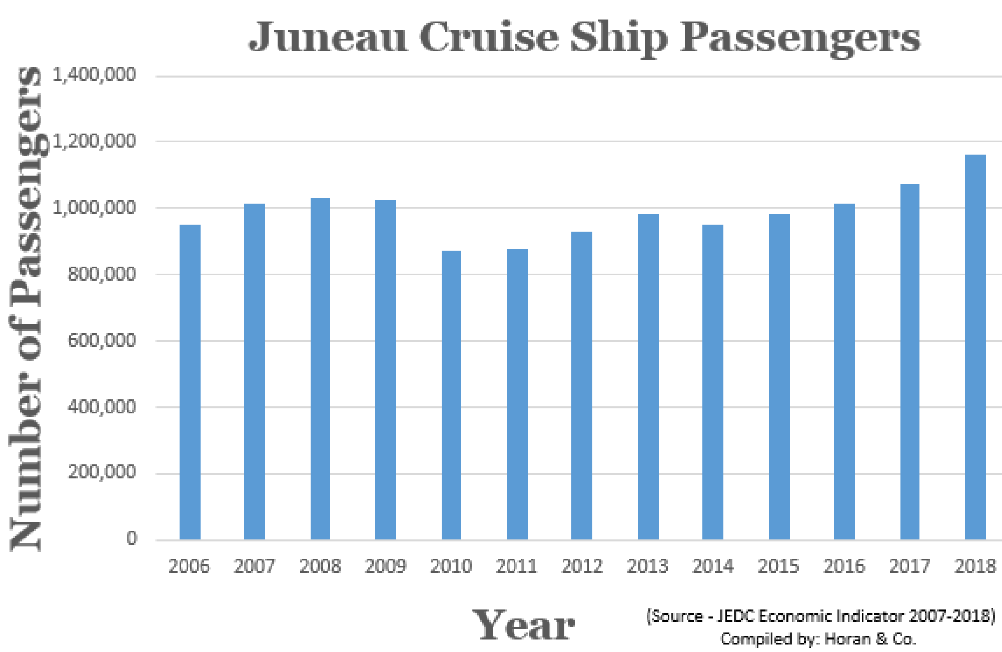


FIGURE 2.3 – Juneau Cruise Ship Passenger Visitation 2006 through 2018.

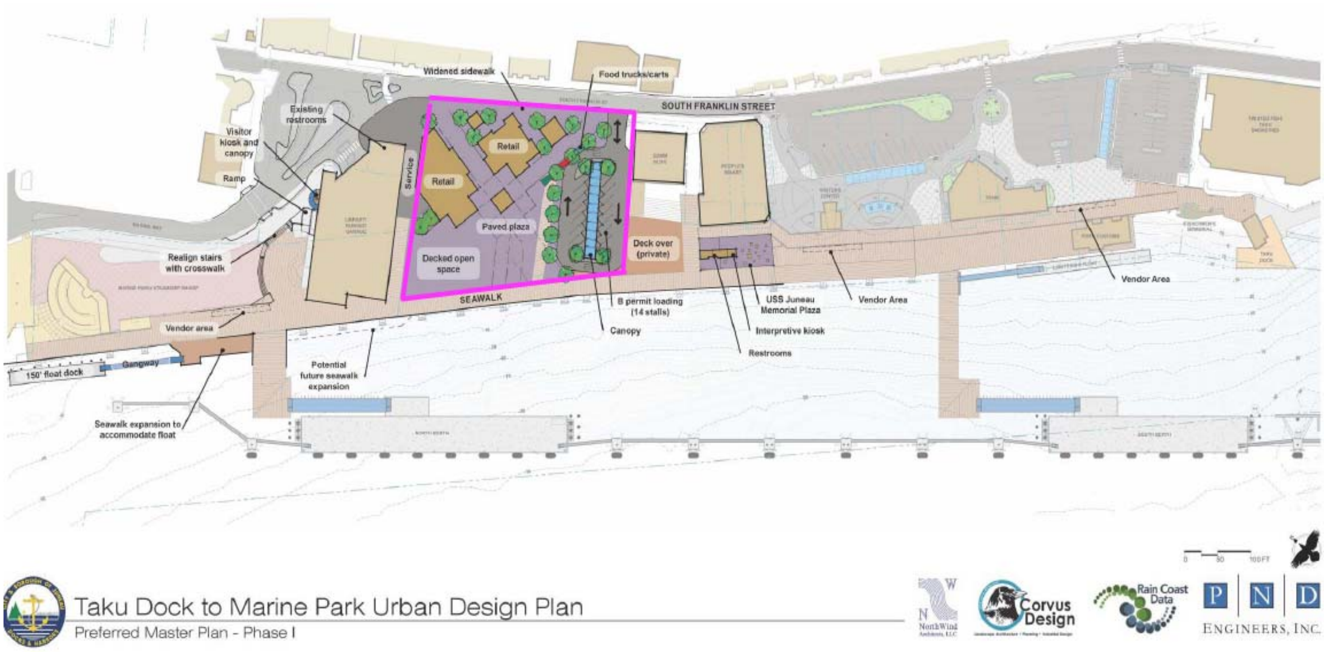


FIGURE 2.4 - A conceptual site plan from a community presentation showing existing neighborhood features, the position of two new cruise ship docks, where passengers enter the Seawalk, and the South Franklin Street tourist retail area.

This growth has been accommodated by the expansion of cruise ship berths along Juneau Harbor to accommodate larger Panamax class vessels. The south berth opened for the 2016 season just south of the subject and the north berth opened for the 2017 season just north of the subject as indicated in Figure 2.4.

2.3 SOUTH FRANKLIN RETAIL

The retail core area is along South Franklin Street, with primary retail activity closer to the city docks where more passengers are concentrated in the drop off and pickup areas.

Overall retail spending in the area has increased to coincide with the increased visitation from cruise ships. According to the Juneau Economic Development Council's last published indicators in 2017, the Gross Business Sales by Tourist-Related Businesses have steadily grown since 2010. See Figure 2.5 which reflects selective business sales that would most impact retail in the immediate area.

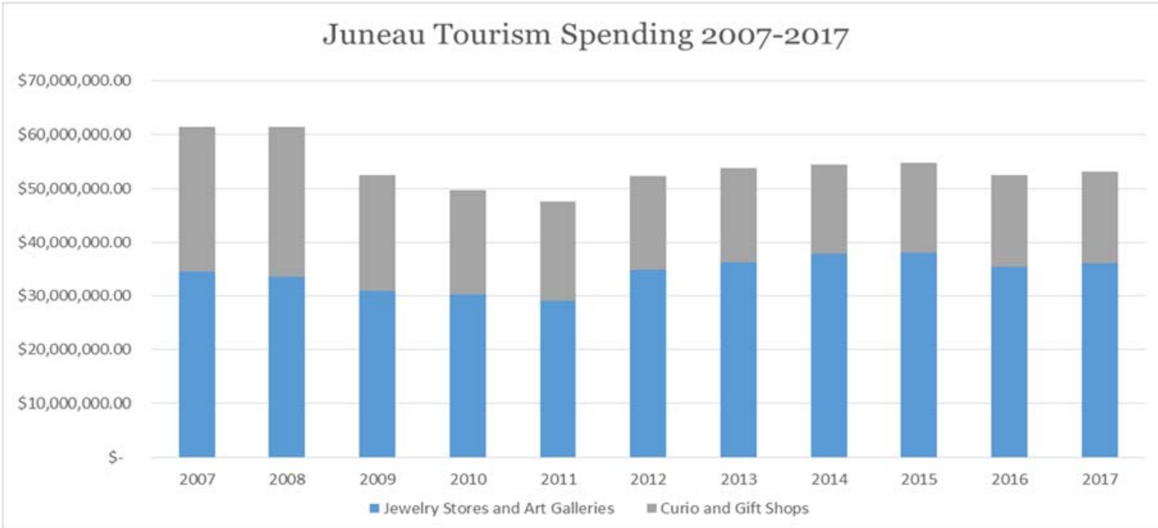


FIGURE 2.5 –Juneau Tourist Spending 2007-2017. Source: Juneau Sales Tax Office. Compiled by: Horan & Co

The demand for shore-side retail locations in this area is highest in the 300 and 400 block of South Franklin and tends to trail off to the north in the 200 block of South Franklin Street. Demand for retail space appears to stop at the Taku Smokery Building in the 500 block.

Rents had trended upwards in the early parts of 2000, peaking out when the cruise ship traffic stalled after 2009. They have gradually increased and are stabilizing for most properties. It appears that small jewelry shops have a higher SF rent than larger general tourist oriented retail shops. There have been very few property sales, but this rental trend suggests that sale value indicators of the last several years would be relatively stable.

A current updated rent survey of the prime competitive area to the subject between the 200 block and 500 block of South Franklin (See Fig. 2.6) indicate rent contracts for the 2019 season have been negotiated would be similar to last season between $6.50/SF and nearly $11.00/SF. The best located, newer buildings with small space that are rented to jewelry shops have achieved the highest rents. The lesser quality buildings with larger spaces or with obsolete features are at the lower end. North of the Red Dog Saloon toward the end of the 200 block of South Franklin Street, rents are in the $3.00/SF to $5.00/SF range for first floor retail.

In a neighborhood such as the subject, rents drive the demand for land. If building construction costs are the same at any location, but rents change due to location, higher values can be paid for the land at locations achieving the higher rents. Our recent rent survey indicates properties in the 300 to 400 South Franklin Street blocks across from the subject achieve the highest rents.

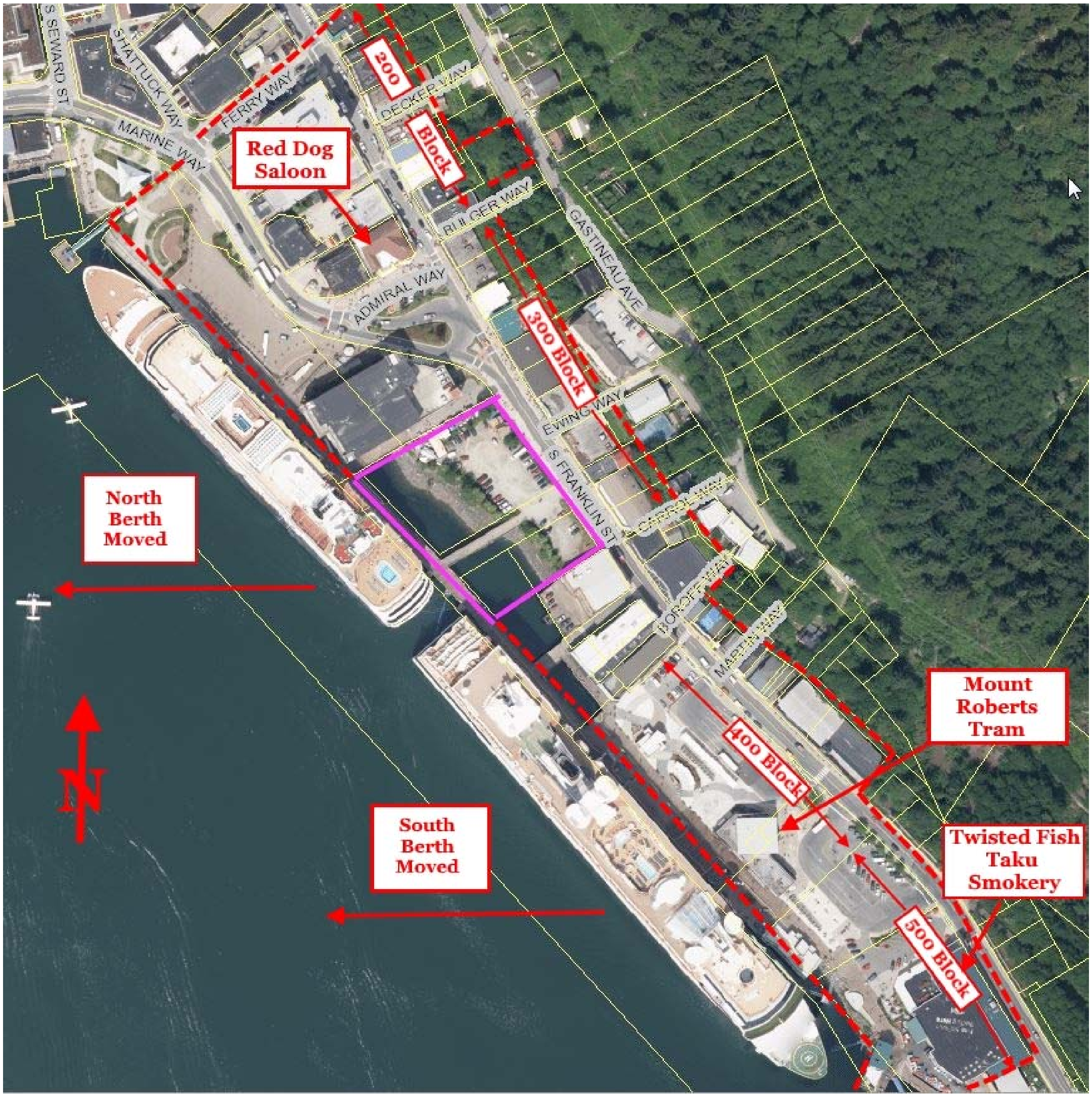


FIGURE 2.6 - South Franklin Street neighborhood showing the 200 block to the 500 block limits of property inventory.

The immediate neighborhood is mostly built out with no vacant developable sites except for the subject 74,700 SF site. We have inventoried over three dozen properties in the immediate area as noted in Fig. 2.6, from the 200 to 500 block of South Franklin Street. This represents about 240,000 SF of privately owned land. A significant portion of that is steep hillside above South Franklin Street. These properties are developed with nearly 320,000 SF of gross building areas of which about 123,000 SF represent first floor retail building area. The 31-building inventory shows that the first floor retail building space size ranges from 1,000 SF to just over 9,000 SF. The median first floor retail gross building area (GBA) size is about 3,500 SF and typically comprises several rental spaces.

The small retail spaces along South Franklin Street produce the highest SF rents. It's interesting to note that the typical depth of the retail spaces in these prime locations is about 50 feet from the street. Vacancies are difficult to determine as most of these properties are vacated for seven months or so of the off-season. Some of the properties in our inventory are known to have vacancies. This is due to poor building condition, layout or excessive asking rent. With typical market rent rates the vacancy is expected to be very low. Some building managers said several recently rented retail spaces had back up rent offers. It appears that the 2018 season was stronger than the 2017 season, which was a little better than the 2016 season. At competitive rents in a well-managed building, vacancy rate in this prime sub-market should be less than 5%.

2.4 LAND VALUE INDICATORS

The competitive neighborhood is built out with the exception of the subject lots. There has been no significant land sales for new construction in the area since 2006. Land values had gone up significantly in the early 2000s.

425 South Franklin 2004 Land Sale

For instance 425 South Franklin Street (#5193) sold as a vacant lot in 2001 for one million dollars. A partnership buyout indicated a price of $1,200,000 for the same site in 2004. This was an 8,420 SF lot indicating $142/SF. In addition to the value paid for the land, an additional $500,000 was spent in site work digging into and shoring up the steep hillside.

265 South Franklin 2005 Land Sale

265 South Franklin Street (#3900) sold in 2005 for $960,000 for a 15,500 SF steep hillside site which had about 3,200 SF of immediately developable area. Applying a price to the development area indicated about $300/SF. This property was developed with two retail spaces on the first floor and two large apartments above.

307 South Franklin 2006 Land Sale

307 South Franklin, (#4761), a multi-story split level concrete structure, sold in 2006 for $1,500,000. This indicates about $333/SF for this 4,500 SF lot. Some value in this transaction may be attributed to the building.

Rents continued to rise for several more years after these sales in 2009. However, the commercial property market stagnated since that time with a downturn in tourism, which caused a reduction in retail sales and a series of renegotiating rents through 2012 or so. The rent market has since stabilized. The expected rent levels at the time of these last two sales, in 2005 and 2006, are similar to what they would be in the current market.

The most recent sales transactions that occurred from 2011 to 2013 are from the Archipelago Properties, LLC (Morris) to the City and Borough of Juneau involving portions of the subject site or adjacent to it. These were negotiated sales that appear to reflect market prices. A more recent sale occurred in the 500 block of the subject neighborhood in January of 2018, however, it is considered significantly inferior to the subject due to location, and steep topography. There have also been several land leases in the area which, when capitalized, indicate uplands and tidelands values in the immediate vicinity. Some of these indicators were on South Franklin Street, and some were in the tidelands closer to the Seawalk. They confirm the market trend that the highest prices are paid for lands likely to achieve the highest rents if developed for retail no more than 100 feet from South Franklin Street. Land beyond this distance or with development challenges over the water indicate values significantly less per SF.

2.5 LAND USE REGULATIONS

Parking Districts

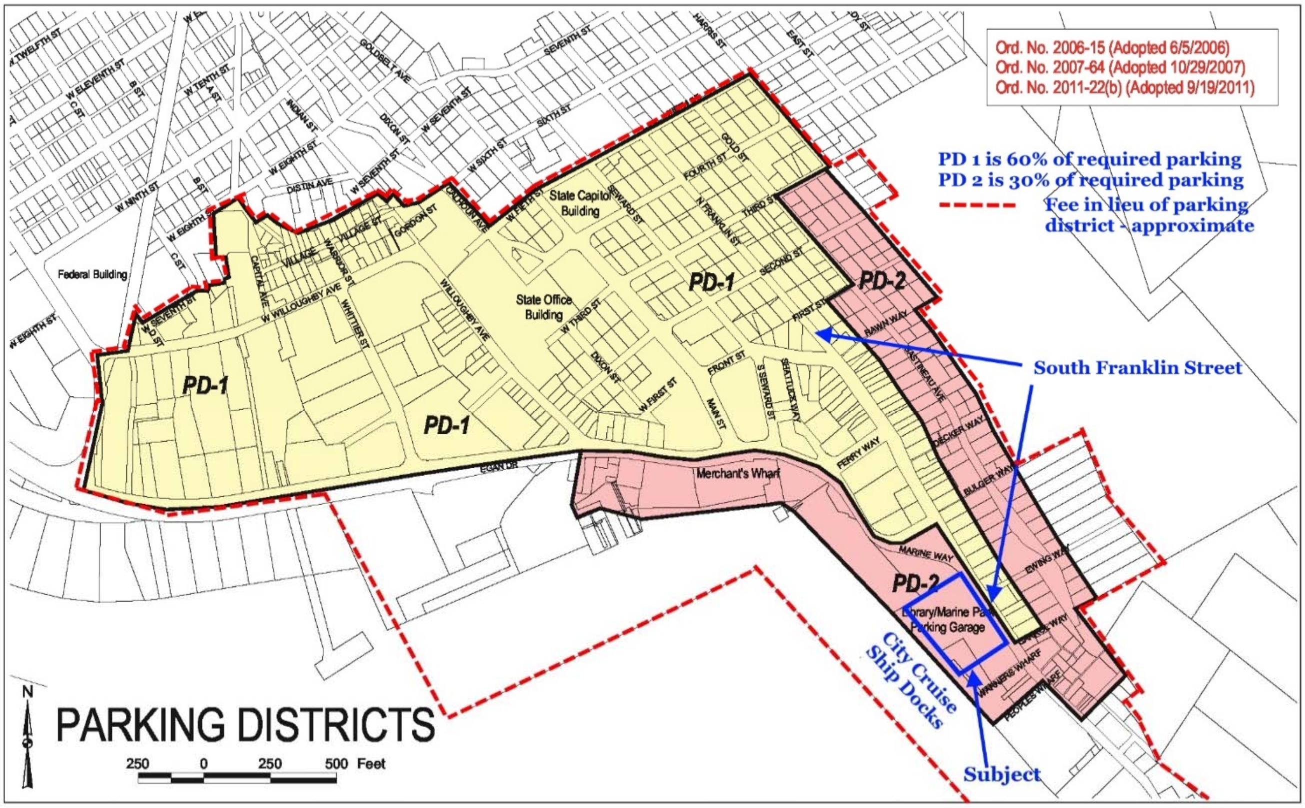


FIGURE 2.7 – Neighborhood location map showing downtown Juneau parking districts

The subject is in the Fee In Lieu of Parking District and the PD-2 Parking District. The Fee In Lieu of Parking District allows owners or property developers the option to pay a one time fee to the CBJ in lieu of providing required onsite parking for redevelopment or use. The fees collected are intended to be spent on projects to increase the parking supply within the district. The PD-2 Parking District allows the standard parking requirements to be reduced by 30%. This allows denser development on the subject site as compared to sites without this advantage.

Zoning

The property is zoned Waterfront Commercial (WC). The WC, Waterfront Commercial District, is intended to provide both land and water space for uses which are directly related to or dependent upon a marine environment. Such activities include private boating, commercial freight and passenger traffic, commercial fishing, floatplane operations, and retail services directly linked to a maritime clientele. Other uses may be permitted if water-dependent or water-oriented.

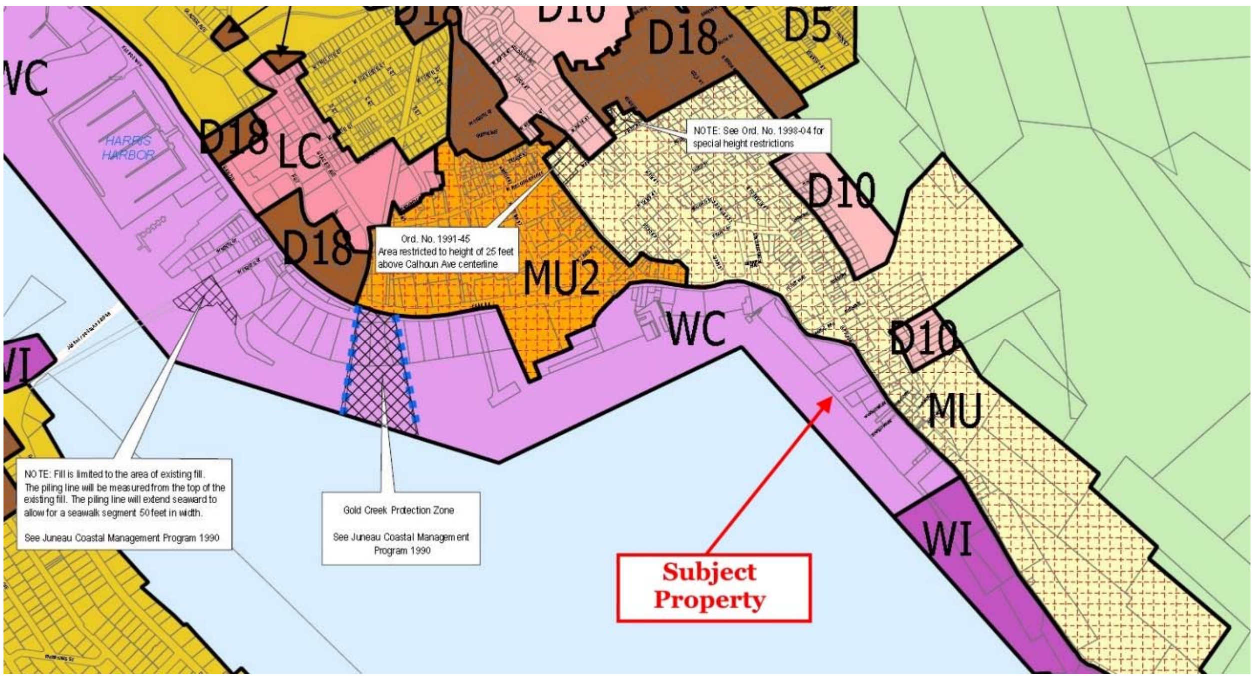


FIGURE 2.8 - Zoning Map

FEMA Requirements

Legal constraints on this site include a FEMA prohibition on non-waterfront dependent uses below the 15.4' high tide mark, not precluding the construction of a dock.

3 SITE DESCRIPTION

3.1 DESCRIPTION OF SITE

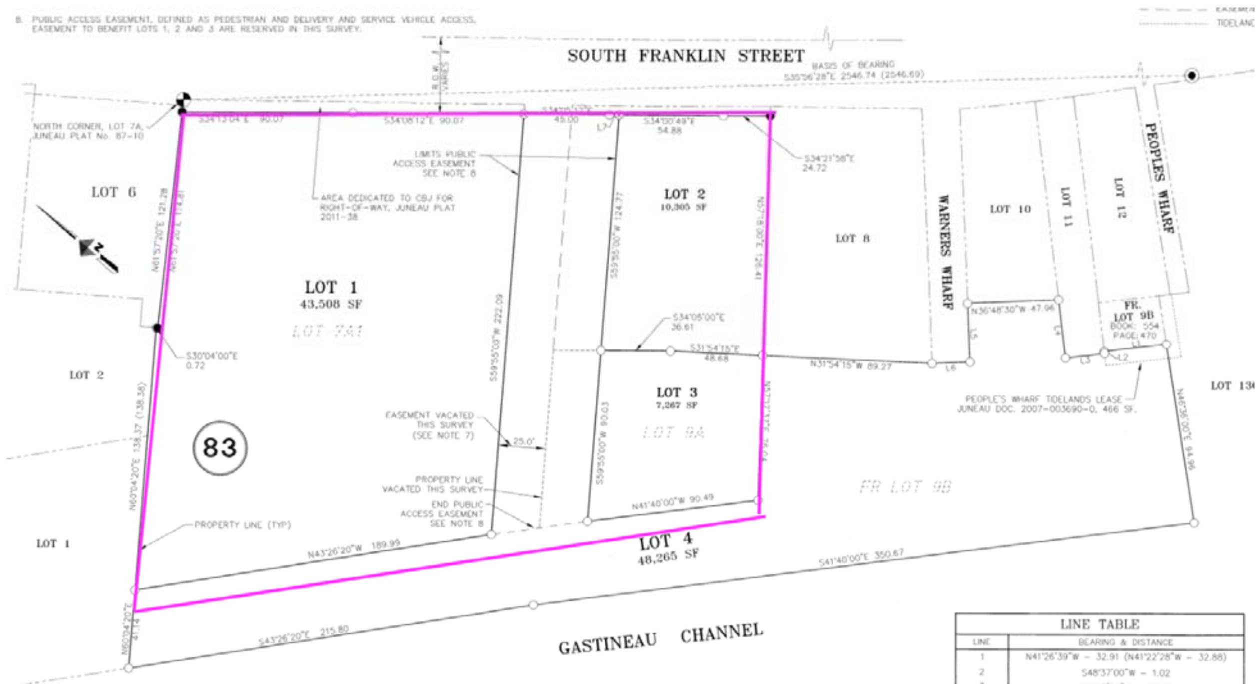


FIGURE 3.1 - Excerpt from Archipelago Subdivision Plat 2013-22, JRD showing subject lands as currently subdivided. Note only a portion of Lot 4 is included in our analysis.

The subject includes Lot 3 and a portion of Lot 4 currently owned by CBJ Docks and Harbors (CBJ), and Lots 1 and 2 currently owned by Archipelago Properties, LLC (Morris) all within the Archipelago Subdivision Plat 2013-22.

As currently configured and subdivided, the city's portion of Lot 4, which extends from South Franklin Street SW to the Seawalk, is encumbered by a public access easement defined as a pedestrian and delivery and service vehicle access easement to benefit Lots 1, 2, and 3 (Plat note 8). The unit value developed for the purpose of this appraisal is made under the hypothetical condition that this easement does not exist.

Additional plat notes include, but are not limited to the following:

5. PARTS OF THIS SUBDIVISION ARE LOCATED IN A VELOCITY FLOOD ZONE, ACCORDING TO THE ADOPTED FLOOD INSURANCE RATE MAPS OF THE CITY & BOROUGH OF JUNEAU (FLOOD PANEL #020009 725 B, DATED FEBRUARY 4, 1981). SPECIAL REGULATIONS MAY APPLY.

6. ACCORDING TO THE ADOPTED CITY & BOROUGH OF JUNEAU LANDSLIDE AND AVALANCHE MAPS, ADOPTED DATE 1987, THIS SUBDIVISION IS LOCATED IN A MODERATE LANDSLIDE/ MASS WASTING ZONE. SPECIAL REGULATIONS MAY APPLY.

As hypothetically appraised, the larger site is allocated for its uplands and sloping tidal lands as generally indicated in Figure 3.2.

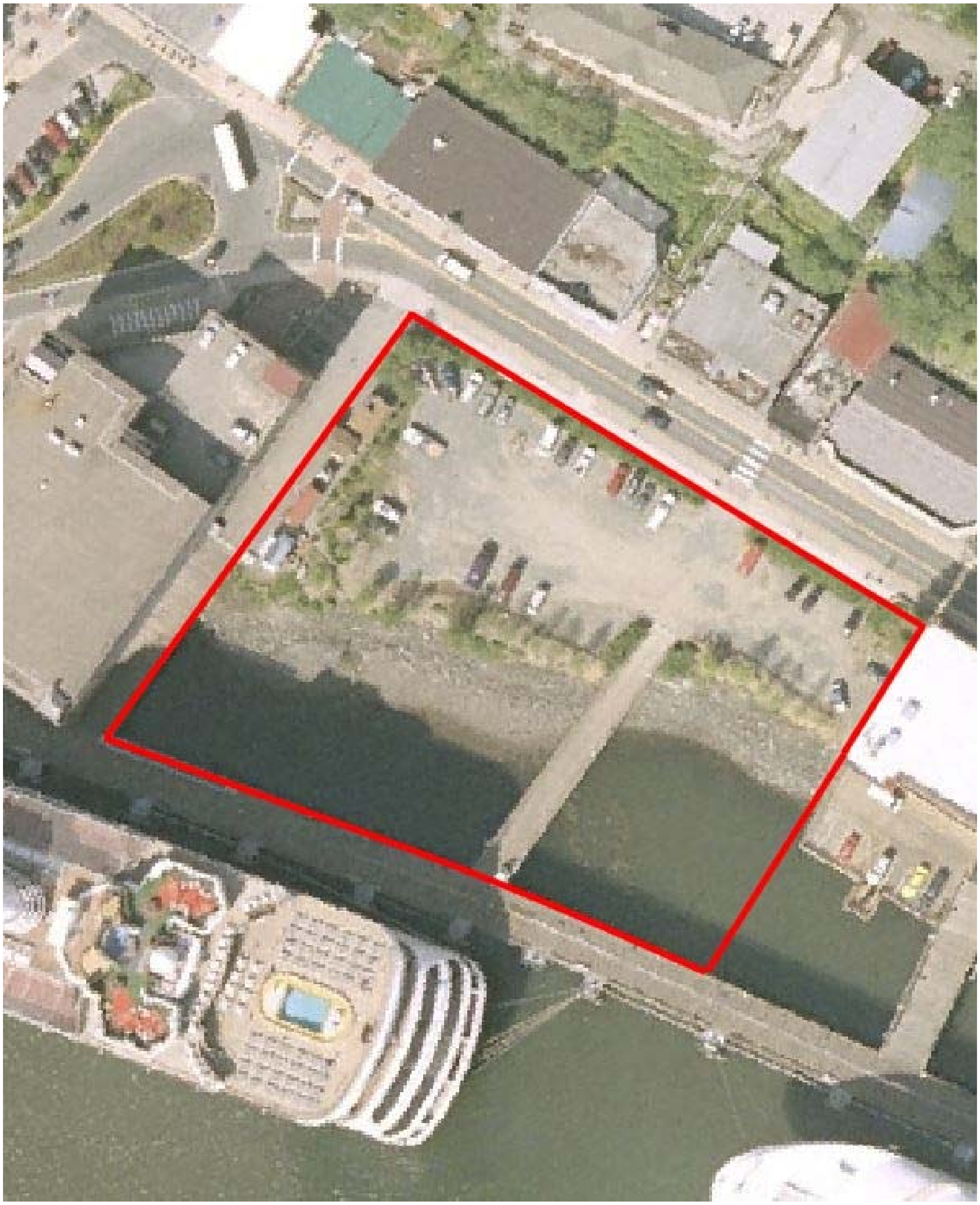


FIGURE 3.2 - Outline of the total site, not to scale, over aerial photo (dated 2006) showing uplands and tidelands features.

The hypothetical composite site has a total of 309.86 feet along South Franklin Street according to Plat 2013-22. The appraiser roughly estimates the northern boundary extends about 267 feet from South Franklin Street to the existing Seawalk and the southern boundary about 208 feet based on the CBJ GIS map measuring tool. The site appears to be slightly wider along the Seawalk, about 332 feet more or less. The Valuation Area Allocations map suggests about 74,733 SF total site area and various indicators from the CBJ GIS maps suggest between 72,000 SF and just over 74,000 SF. For the purpose of our analysis we will assume about 36,964 SF of filled uplands, and 38,790 SF of tidelands. This indicates a total site area of 75,754 SF.

The appraisal disregards any site improvements and assumes soil is competent for a feasible highest and best use development.

Access and Utilities

The site has public street access along South Franklin Street which is paved, with concrete curbs and gutters. There’s a wide sidewalk along this street frontage. There is pedestrian and service vehicle access along the Seawalk on the seaward side of the subject. As appraised, the subject neighborhood has private and public utilities including water, sewer, power, communications and fuel delivery.

3.2 ASSESSED VALUATION AND TAXES

The CBJ assessor valued subject Lots 1, 2 and 3 in 2017 as outlined on the following table.

TABLE 3.1 - 2017 CBJ Assessor's Allocation of Values for Plat 2013-22, Lots 1, 2 and 3

Owner	Parcel Account #	Plat 2013 -22	Land Description	SF Area	Value /SF	Assessed Value
Morris Comm.	1C070K830036	Lot 1	Filled	20,013.68	$ 255.00	$ 5,103,488
			Unfilled	13,487.48	$ 27.50	$ 1,719,654
			Submerged	10,006.84	$ 32.00	$ 320,219
			Subtotal	**43,508.00**		$ 7,143,361
Morris Comm.	1C070K830037	Lot 2	Filled	5,153.00	$ 300.00	$ 1,545,900
			Unfilled	3,864.00	$ 150.00	$ 579,600
			Submerged	1,237.00	$ 37.50	$ 46,388
			Subtotal	**10,254.00**		$ 2,171,888
CBJ	1C070K830038	Lot 3	**Submerged**	**7,267.00**	**$ 37.50**	$ 272,513
CBJ		Lot 4	Not allocated			
Totals without Lot 4				61,029		$ 9,587,761

The 2018 assessment records indicate a slight change in value. The city owned Lot 3 is no longer taxable. We were unable to determine an updated breakdown for the uplands/ tideland areas. The following table notes current overall assessed values for the subject parcels.

TABLE 3.2 – 2018 CBJ Assessors Values for Plat 2013-22, Lots 1, 2, and 3

Owner	Parcel Account #	Plat 2013-22	SF Area	Assessed Value
Archipelago Properties, LLC	1C070K830036	Lot 1	43,508	$7,175,900
Archipelago Properties, LLC	1C070K830037	Lot 2	10,305	$2,132,900
CBJ	1C070K830038	Lot 3	7,267	Not Assessed
CBJ	NA	Portion of Lot 4	NA	Not Assessed

3.3 DESCRIPTION OF PROPERTIES BEING EXCHANGED

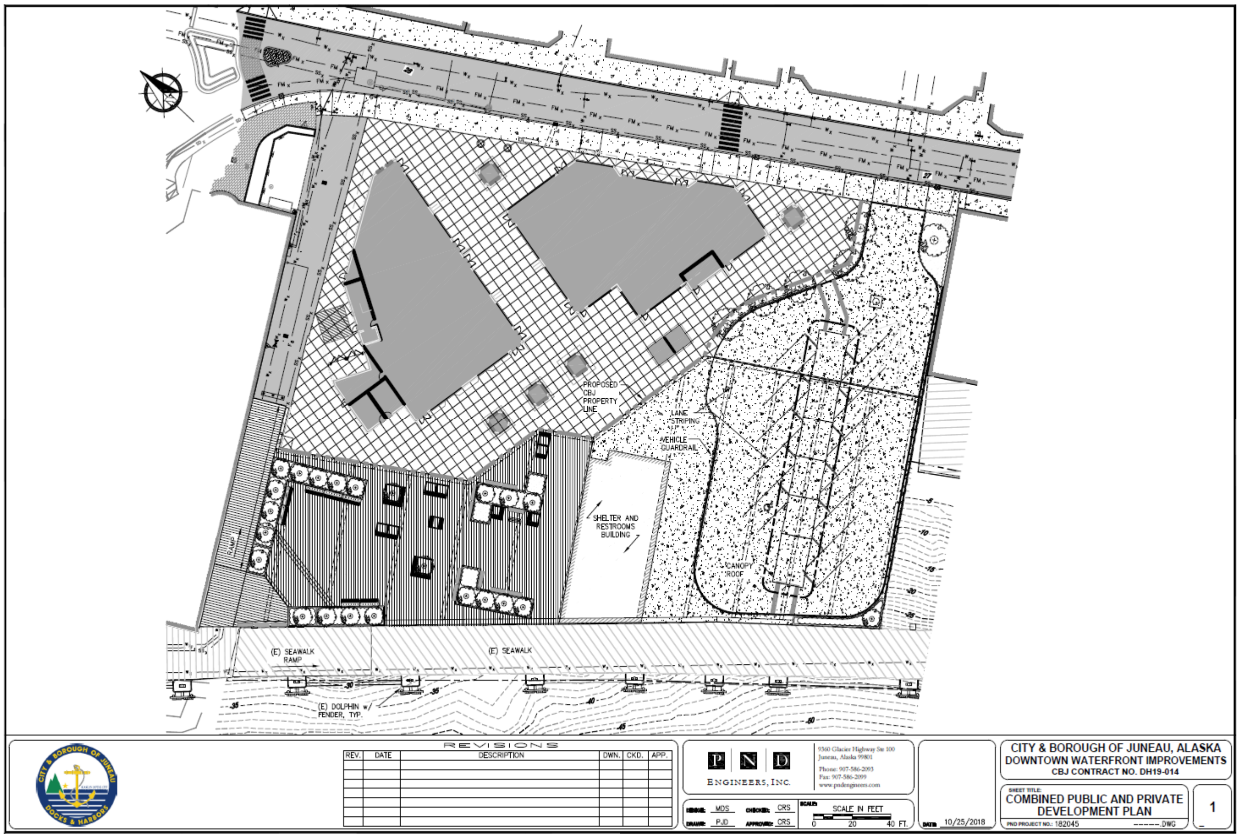


FIGURE 3.3 – Combined Public (South portion) and Private (North portion) Development Plan. Note this concept has been slightly modified to accommodate a wider entrance into the CBJ transfer site.

The subject land and interests in land proposed to be purchased and sold (exchanged) will result in a mutually beneficial property configuration that will enable each party to pursue their separate but integrated development plans as depicted in Figure 3.3 above.

The CBJ will purchase from Archipelago approximately 24,104 SF and Archipelago will purchase from CBJ approximately 4,193 SF as shown in Figure 3.4 which summarizes what CBJ will purchase and sell. This figure also shows the Value Area Allocations that have separate contributory value components which will be discussed in the valuation section of this report.

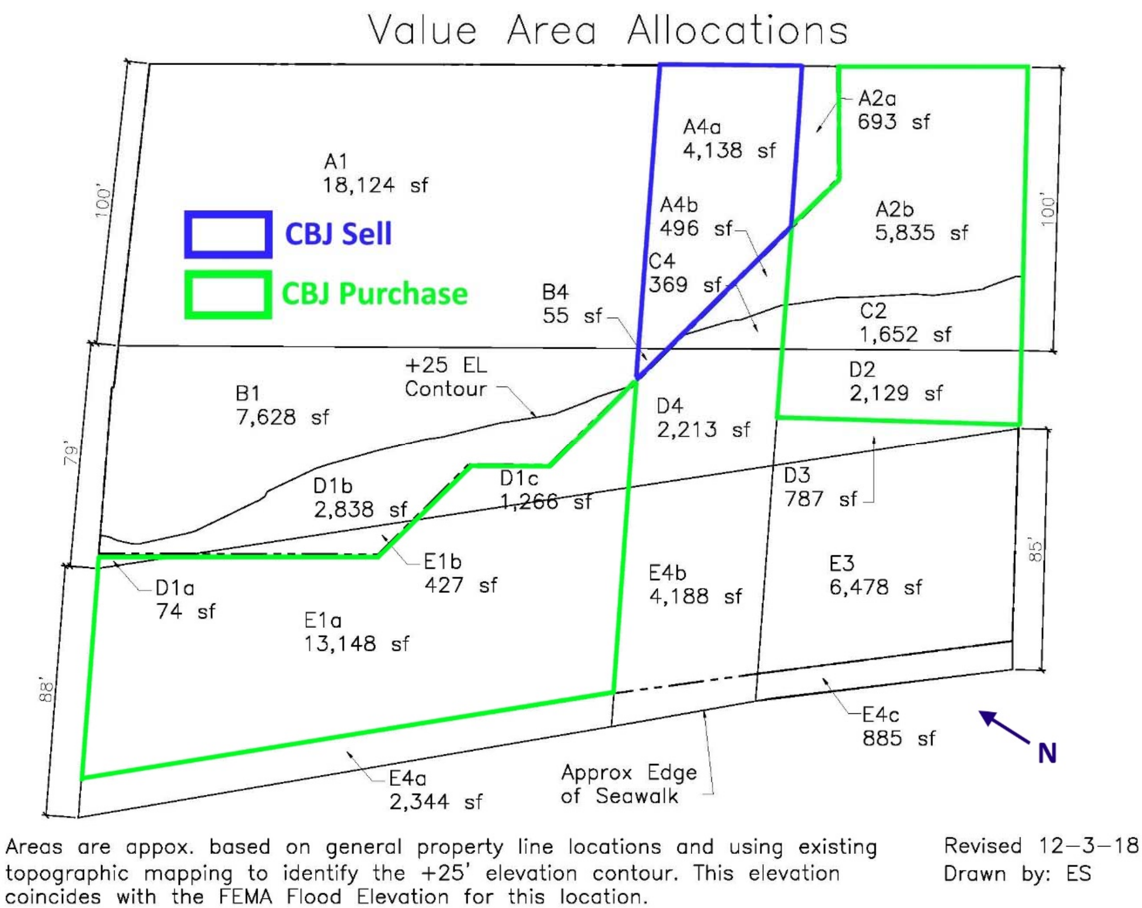


FIGURE 3.4 – Depicting areas to be sold and purchased in the agreement. This figure shows a breakdown of those areas that have different contributory value components.

In addition to the fee simple transfer of land has noted above the CBJ will enhance Archipelago's lands by filling in sloping tidelands within lot 1, granting a right to object certain competitive uses on a portion of Lot 1 and grant perpetual limited non-exclusive access along 150 feet on the north border of Lot 1. These three elements of the agreement are estimated as compensable market values and are noted on Figure 1.2, modified PSA Exhibit D and more particularly described in the valuation section of this report. There are additional agreements which are mutually beneficial such as open access between the newly created subdivision sites and the retaining wall maintenance easement.

4 VALUATION

4.1 HIGHEST AND BEST USE

The highest and best use is defined as the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property– specific with respect to the user and timing of the use–that is adequately supported and results in the highest present value.

The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, page 93

The highest and best use for the subject lands would be those allowable uses in the Waterfront Commercial (WC) zone including “uses which are directly related to or dependent upon a marine environment.” The commercial waterfront uses in the immediate area include waterfront related tourism uses such as float plane docks, marinas and access to nearby adjacent retail, restaurants and tour facilities that cater to the seasonal cruise ship tourism.

The subject sites are in the heart of the South Franklin Street tourism retail area with high pedestrian traffic volume along South Franklin Street and access from the Seawalk on the water side. The highest rents achieved along South Franklin Street are across the street from the subject. It is in the prime block. These rents range from $6.00/SF for the larger, poorer quality spaces to over $10.00/SF for the smallest, good quality jewelry store spaces. This rent range is found in building spaces which extend approximately 50 feet or so from South Franklin Street. The lower end of this rent range may be achieved for buildings of up to 100 foot depth off South Franklin Street at the most. Based on typical space, size influence of rents, and the average depth of buildings developed over the last 15 years we conclude that the prime South Franklin Street rental influence extends to a depth of 100 feet into the site. This would influence the highest and best use of portions of Lots 1, 2 and 4 with frontage on South Franklin Street.

Site development along the Seawalk side has been for less intense uses including lower volume retail building, restaurant, outdoor restaurant seating, tourist attractions, and open air and food cart vendors. These are all types of feasible allowable uses which could occur on those portions of the subject lots which extend from the Seawalk toward South Franklin. Uses developed over the tidal and submerged land areas would need to incorporate the development of a deck to support those uses.

It’s beyond the scope of this appraisal to define the optimum blend of uses for all the lots. The size and shape of some of the lots are outside the market norm. Typical site sizes would be 5,000 to 10,000 SF. This study disregards the influence of size for the purpose of the exchange, but more critically considers the locational influence relative to South Franklin Street and the Seawalk.

The highest and best use for the subject lots are for retail tourist oriented uses on the first floor with secondary support for storage or employee housing. Those lands more closely associated with the Seawalk would be for less intense retail with appropriate open areas or other tourism oriented venues.

4.2 LAND VALUE INDICATORS

As indicated earlier, the most recent sales transactions involve portions of the subject site or areas adjacent to it and capitalized land leases. The square foot value indicators are summarized in the Table 4.1 below and identified in Figure 4.1. Details of these indicators are summarized in the addenda of this appraisal.

Table 4.1 displays the adjusted sales or lease value indicators on a price per SF basis. The lease rents have been capitalized into an indicator of value by dividing the annual rent by the stated contract percentage lease rate as is the case with Comps 1 (9%) and 7 (10%), or market lease rate (8%) as is the case with Comps 5 and 6. This results in the adjusted SF value. Comp 3 was a sale of a strip of property that had uplands (3A) and tidelands (3B) characteristics which was allocated as indicated in the table.

TABLE 4.1 - Summary Market SF Value Calculation

Comp No./ ID N0.	Address	Sales Date	Transaction Type	Price	SF Size	Adjustment	Adjusted SF Value
1 - 7341	490 S. Franklin	3/2015	Lease	$270,000	10,000	Capped at 9%	$300
2 - 7238	356 S. Franklin	12/2011	Sale Price	$498,300	1,650	None	$302
3 - 7740	356 S. Franklin	8/2013	Sale Price	$910,352	5,287	See Below	$172
3A			Upland	$760,500	2,535	Allocated Upland	$300
3B			Tideland	$149,852	2,752	Allocated Tideland	$54
4 - 7889	386 S. Franklin	9/2013	Sale Price	$298,035	7,267	None	$41
5 - 7062	406 S. Franklin	5/2013	Lease	$26,082	7,245	Capped at 8%	$45
6 - 5012	422 S. Franklin	7/2016	Lease	$15,638	1,955	Capped at 8%	$100
7 - 7659	432 S. Franklin	7/2012	Lease	$5,950	476	Capped at 10%	$125

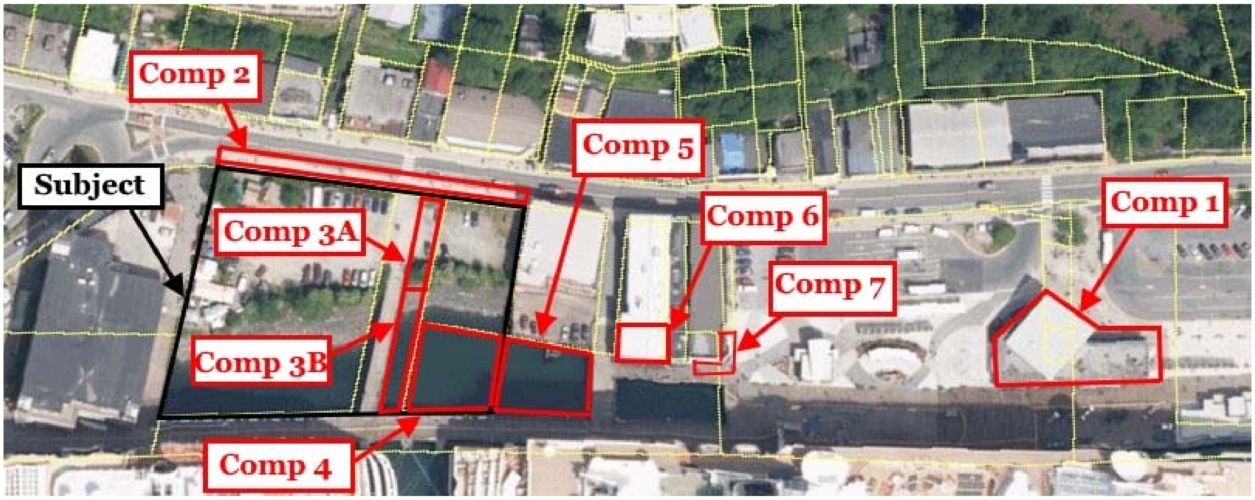


FIGURE 4.1 - SF value indicators Comp location map

This sales map confirms there are several areas with different value characteristics which influence the nominal SF values between $41/SF and $300/SF. Based on our extensive analysis of sales of development sites, Comps 1 through 7, typical retail building depth characteristics and the value indicators along the Seawalk, we have developed several value indication areas based on this market evidence as applied to the character of the subject lots for tidelands and uplands.

Our study of the subject indicates the following value influence areas based on proximity to South Franklin Street and the Seawalk. They are also influenced by the topography as filled lands, sloping tidal, or submerged land. These value influence areas are roughly identified in Figure 4.2. The adjacent Table 4.2 also includes a conclusion of the values assigned to each of those site characteristic areas based on the discussion which follows.

TABLE 4.2 – Concluded SF Value By Value Characteristic Areas

Area ID	Land Character-Location	Concluded SF Values
Area A	Uplands on South Franklin	$300
Area B	Uplands off South Franklin	$200
Area C	Sloping South Franklin	$150
Area D	Sloping middle lands	$75
Area E	Tidelands off Seawalk	$45

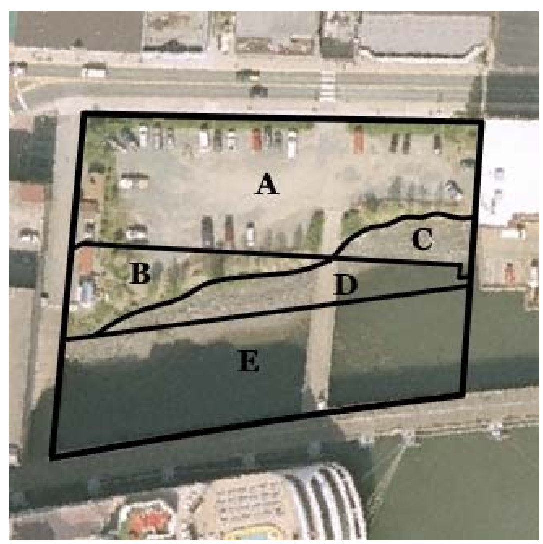


FIGURE 4.2 –Map showing Valuation area elements. Not to scale.

4.3 AREA VALUE INDICATORS DISCUSSION

One of the market strategies to develop on the tidelands is to build a decking platform. The cost to deck these lands have ranged from about $100/SF to about $200/SF, depending on the design capacity and construction materials used. As stipulated we will use $150/SF to adjust for decking as an aid to guide our judgment in selecting nominal SF values for these various value influence areas.

Area A is the prime South Franklin Street land. Comp 1 is at the tram site, ground zero of pedestrian tourism traffic. This site is approximately 50 feet deep, and reflective of the prime Franklin Street frontage valued at $300/SF. Comps 2 and 3A are uplands with access directly on South Franklin Street, with a site depth of 100 feet or less. These indicators suggest the primary influence off South Franklin Street, the first 100 feet of depth of uplands has a nominal value of $300/SF. Area A is given a value of $300/SF. The small **Area C** is within this 100 feet of influence but unfilled tidelands are given a value of $150/SF, considering the cost of decking this area at $150/SF, putting it on par with uplands ($300/SF - $150/SF for deck equals $150/SF for tideland).

The remaining uplands, **Area B,** is beyond the first 100 feet area of influence and is discounted based on the lower expected rents and discounted value reflected for secondary locations. The prime rents within the 300 block which extend in buildings about 50 feet to 100 feet deep, are in the $6.00/SF to $10.00/SF Range. Rents then drop to $3.00/SF to $5.00/SF at the north end of the 200 block of South Franklin Street. This suggests a 50% discount which appears to be higher than what would be warranted in this instance since the subject has the potential to be influenced by the Seawalk or design characteristics to funnel traffic from South Franklin Street into this area. A 33% discount would be reasonable suggesting a value of the remaining filled lands, Area B, at $200/SF ($300/SF -33%).

The bulk of the remaining lands are in the **Area E** and are influenced by their location on the Seawalk. The best indicators for this area would be Comps 3B, 4 and 5. They range between $41/SF to $54/SF. The middle of this range at $45/SF is given most weight for the nominal influence of the Area E.

The remaining **Area D** is a small sliver of sloping lands between these outer submerged lands (E) and the more valuable uplands and the South Franklin Street-influenced lands. Discounting Area B, which was $200/SF, by the decking cost of $150, suggests $50.00/SF for these adjacent lands. It can be seen by the indicators of Comps 6 and 7 that these in between tidelands have a greater value. This small sliver of land would have increasing influence by South Franklin Street the further it moves south. Comps 6 and 7 indicate closer tidelands values of $100/SF to $125/SF. The suggested range of value for the sliver of land is between $50 and $100/SF. It contributes an estimated $75/SF.

Based on this analysis the indicated value of each of the subject lots can be calculated. The value areas allocated for these calculations are based on the best estimate from CBJ GIS mapping as provided by CBJ Docks and Harbor personnel as outlined in Figure 4.3 Value Area Allocations. The calculated value of each of the lots are summarized in Table 4.3 which follows.

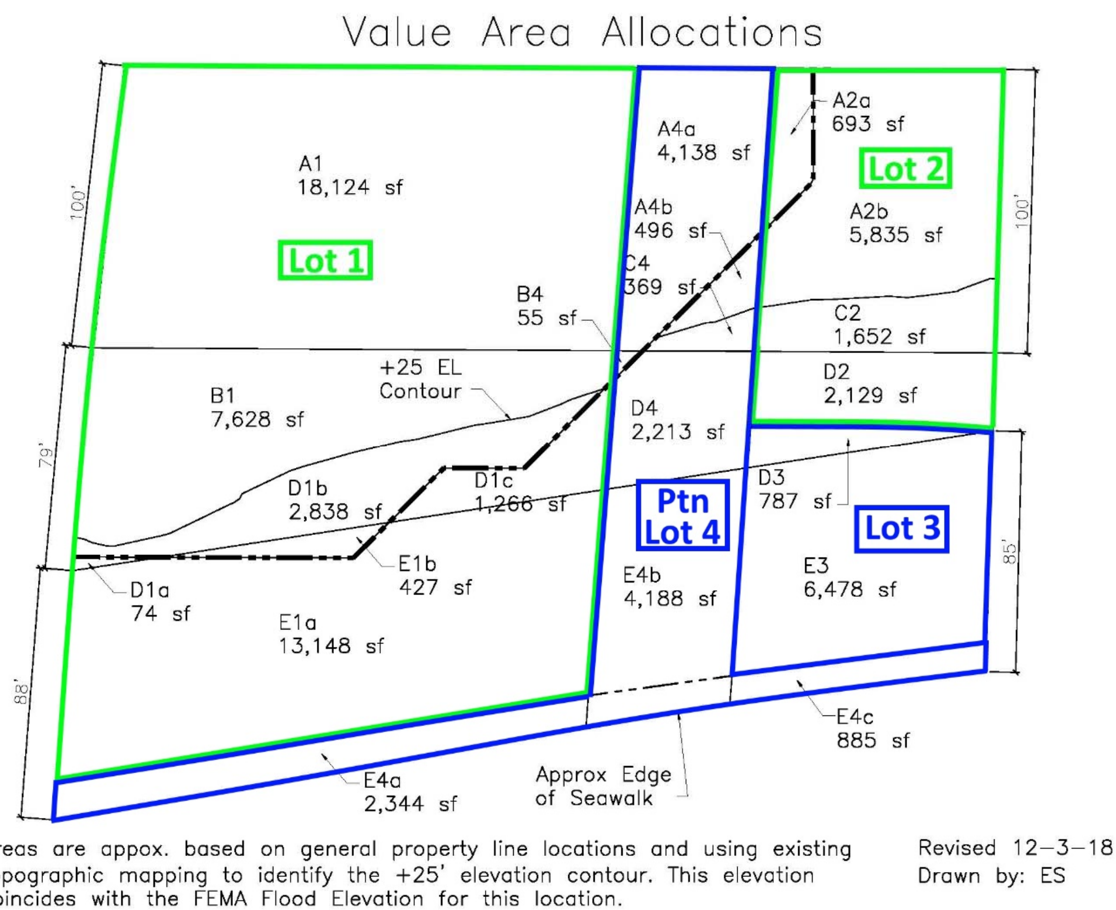


Figure 4.3 - Drawing showing Value Area Allocations with individual existing Lots highlighted by the appraiser. The green areas are currently owned by Archipelago and the blue areas are currently owned by CBJ. Proposed exchange subdivision shown by bold dashed line.

TABLE 4.3 - Summary Value of Existing Lots								
Owned by Archipelago Properties, LLC					**Owned by CBJ**			
Lot 1					**Lot 3**			
Area ID	**SF Size**	**SF Value**	**Indicated Value**		**Area ID**	**SF Size**	**SF Value**	**Indicated Value**
Area A	18,124	$300	$5,437,200		Area D	787	$75	$59,025
Area B	7,628	$200	$1,525,600		Area E	6,478	$45	$291,510
Area D	4,178	$75	$313,350			7,265		$350,535
Area E	13,575	$45	$610,875		**Ptn. of Lot 4**			
	43,505		$7,887,025		**Area ID**	**SF Size**	**SF Value**	**Indicated Value**
Lot 2					Area A	4,626	$300	$1,387,800
Area ID	**SF Size**	**SF Value**	**Indicated Value**		Area B	58	$200	$11,600
Area A	6,528	$300	$1,958,400		Area C	369	$150	$55,350
Area C	1,652	$150	$247,800		Area D	2,205	$75	$165,375
Area D	2,129	$75	$159,675		Area E	7,417	$45	$333,765
	10,309		$2,365,875			14,675		$1,953,890

4.4 VALUATION ELEMENTS OF EXCHANGE

Fee simple value of purchased and sold land

The market of the land being purchased and sold by the CBJ are identified in Figure 4.4 below and summarized in the following Table 4.4.

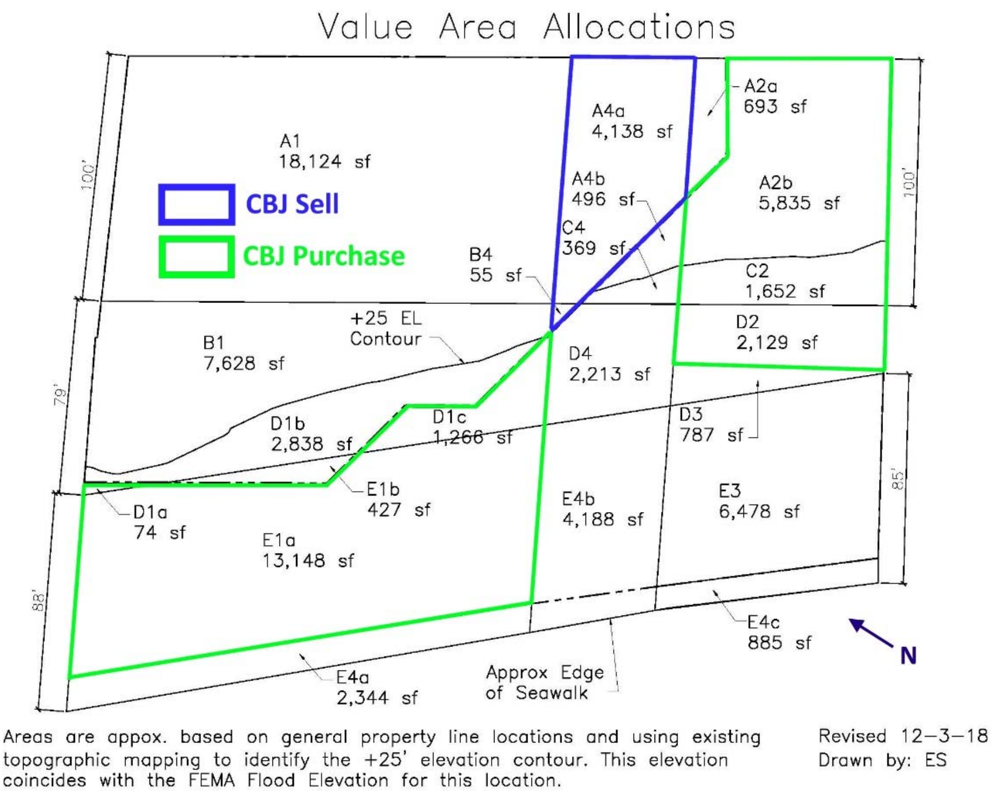


FIGURE 4.4 - Drawing showing Value Area Allocations with proposed lands to be purchased highlighted.

TABLE 4.4 - Calculation of CBJ Purchase of Fee Lands before Adjustments			
Area ID	**CBJ Sell (SF)**	**SF Value**	**Indicated Value**
Area A	4,138	$300	$1,241,400
Area B	55	$200	$11,000
Totals	4,193		$1,252,400
Area ID	**CBJ Purchase (SF)**	**SF Value**	**Indicated Value**
Area A	5,835	$300	$1,750,500
Area C	1,652	$150	$247,800
Area D	3,469	$75	$260,175
Area E	13,148	$45	$591,660
Totals	24,104		$2,850,135

Value of Filled Land created by Sea Wall

Section 9 of the PSA indicates the city will construct a retaining wall which will create filled lands on Archipelago's Property presently not filled. The newly filled lands will increase the value of Archipelago's Property by creating up lands valued at $200/SF (Area B) over lands which were formally valued at $75/SF (Area D) and $45/SF (Area E) as sloping or submerged tidelands. This value is an offset to the CBJ purchase price calculated in Table 4.5 below.

TABLE 4.5 - Calculation of CBJ Increased Value to Archipelago's Property by Seawall					
Enhanced Value by New Filled Areas behind Retaining Wall					
SF Values				**Change in Value**	
Area ID	**Filled**	**Unfilled**	**Difference in $/SF Value**	**Area**	**Indicated Value**
Area D	$200	$75	$125	2,838	$354,750
Area E	$200	$45	$155	427	$66,185
Total Value offset to CBJ Purchase by Retaining Wall					$420,935

Value of Easement along Northern Property Line

Section 12 of the PSA allows Archipelago and its tenant's non-exclusive access and utility easements along the common strip of land adjacent to the public parking structure along the north property line (Exhibit D). This areas has historically been used as a buffer between the parking garage/library structure and the adjacent property giving service and parking access to the Seawalk and docks. It is anticipated to be used as a service and access point for the Taku Dock to Marine Park Urban Design Plan as indicated in Figure 4.5. It is highly likely that access to this area would not change for the subject although this agreement would guarantee future access and perpetuity. It is highly likely that pedestrian and service access would remain through this area although it could be severely curtailed due to a number of regulatory issues.

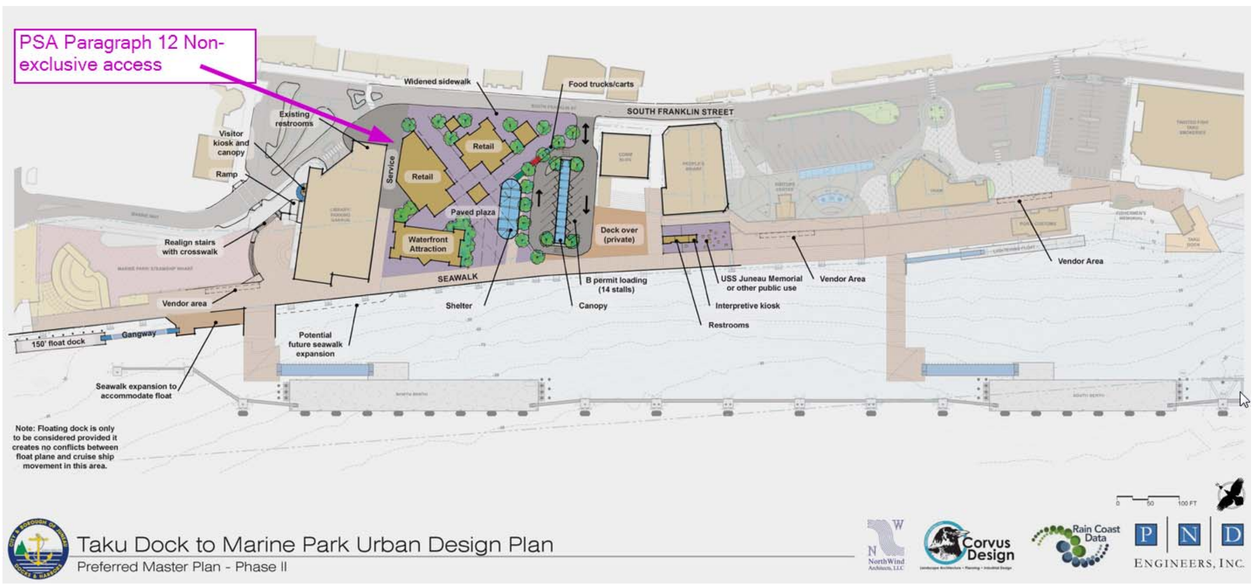


FIGURE 4.5 - Excerpt from Taku Dock to Marine Park Urban Design Plan showing the general location of access easement which has not yet been fully defined.

The design life of the subject project and the docks which have effective access through this area is about 50 years. At the end of this time the area could be significantly reconfigured ending this access. One way to view this easement is that it would guarantee perpetual access to the private land beyond the life of these projects. Using an annual discount rate of 4% for a future benefit in 50 years would imply a present value benefit of about 14%[2].

The immediate benefit of this easement is that it eliminates the need to encumber the benefited land for access and services. This frees the benefited land to expand its retail use, traffic circulation or other development purposes. It also guarantees a visual pedestrian access to draw on to the site from South Franklin Street from the north. On the other hand, the area envisioned for this access is non-exclusive and would not

[2] Present value of one in 50 years discounted at 4% per year equals 14.07%.

inhibit the CBJ to continue its other uses which do not interfere with the intended access granted. The area encompassed by this easement would retain the overwhelming benefit to the CBJ with a positive but less benefit to the adjacent private land.

The appraiser estimates by substitution that the benefit to Archipelago would be most immediately experienced within a 10 foot wide strip 150 feet along the northern edge of Lot 1. See Figure 4.6 for a concept of this area. Its fee value would be similar to Area A ($300/SF) for the first 100 feet and Area B ($200/SF) for the next 50 feet along this border. For our purposes of estimating the value of the area of benefit to Archipelago (adjacent private land) it would encumber about 1500 feet and have a fee value of about $400,000[3]. Even within this area the majority of the "bundle of rights" or uses would be retained by the CBJ for its continued public access and regulatory authority for the public benefit. The limited non-exclusive easement value would be significantly discounted from the fee value since it includes no real development rights.

There is limited market guidance for an appropriate discount in this situation. Many properties with this type of easement have not been discounted in the immediate neighborhood. In other words, corner lots have not enjoyed a significant measurable premium in the market. On the high traffic corner the additional exposure is a positive. If there's a gap between retail attractions it could be a negative in terms of siphoning traffic away. Situations outside of the market where access has been curtailed have shown discounts ranging from 0% to 35%. Considering the limited bundle of rights enjoyed by Archipelago (the adjacent private land owners) in this offsite property an estimate of 15% of the value of adjacent strip of land which could provide substitutable access is estimated at $60,000 ($400,000 x 15%).

[3] The first 1000 SF at $300/SF and the next 500 SF at $200/SF equals $400,000.

Change in value due to right to object

Section 14 of the PSA grants Archipelago the right to object to improvements placed on a portion of Lot 1 of Archipelago Subdivision which may impair, interfere, or unfairly compete with businesses taking place on its adjacent upland property. This effectively amounts to a no competition clause for this area, limiting the CBJ's future economic uses after the exchange. As envisioned for the near term, it is to be built out as a public open space, but is designated for a future attraction. This space is estimated to be 8,650 SF and is encompassed by that portion of Lot 1 indicated on Exhibit E (Addenda) of the sales and purchase agreement. The SF area size may be refined by the final survey. It is also noted approximately on Figure 4.6, the value conclusion.

There would be a discount to the fee simple value based on this limitation which alters the highest and best use of the land affected. We have studied a number of transactions that included the purchase of development rights such as conservation easements which showed discounts where there's a significant limitation in the ability for economic development after the easement. Development limitation transactions show discounts ranging from 33% to 90% or more. These types of agreements are fairly unique and the value depends on the impact of the highest and best use before and after the imposition of the limitation-easement. In the subject instance, the value of the land is already discounted compared to the high values paid for the best retail lands due to its locational distance from South Franklin and significant development limitations due to the submerged character of the land. For instance, the highest valued land at $300/SF for filled land on South Franklin Street contrasted to the lower value of the subject submerged lands, (Valuation Area E) of $45/SF, indicates an 85% discount ($45/SF is 15% of $300/SF). These lands then are already discounted for their location and topographical constraints relative to South Franklin Street's highest and best retail use. Considering discounts we have found in the market, an additional 50% is felt to be a reasonable reflection of the value diminishment due to right to object which would limit future economic development/use. This suggests a discount to the fee amount that the CBJ would otherwise pay for this land. The value offset is estimated at $22.50/SF ($45.00/SF -50%) and is calculated as follows.

Offset for right to object to competition - 8650 SF at $22.50/SF = $194,625

4.5 CONCLUSION

The foregoing analysis is summarized in the following table which outlines the valuation elements of the exchange indicating the market value of the real estate rights anticipated to be acquired by the CBJ as of the effective date, November 16, 2018.

CBJ purchase fee property		$2,850,135
Less Archipelago purchase fee property	$1,252,400	
Less benefit of fill behind seawall	$ 420,935	
Less access along northern property line	$ 60,000	
Less objection to development portion Lot 1	$ 194,625	
Total Archipelago acquired		$1,927,960
CBJ balance due		**$922,175**

The approximate location of these land value elements are indicated in Figure 4.6 below.

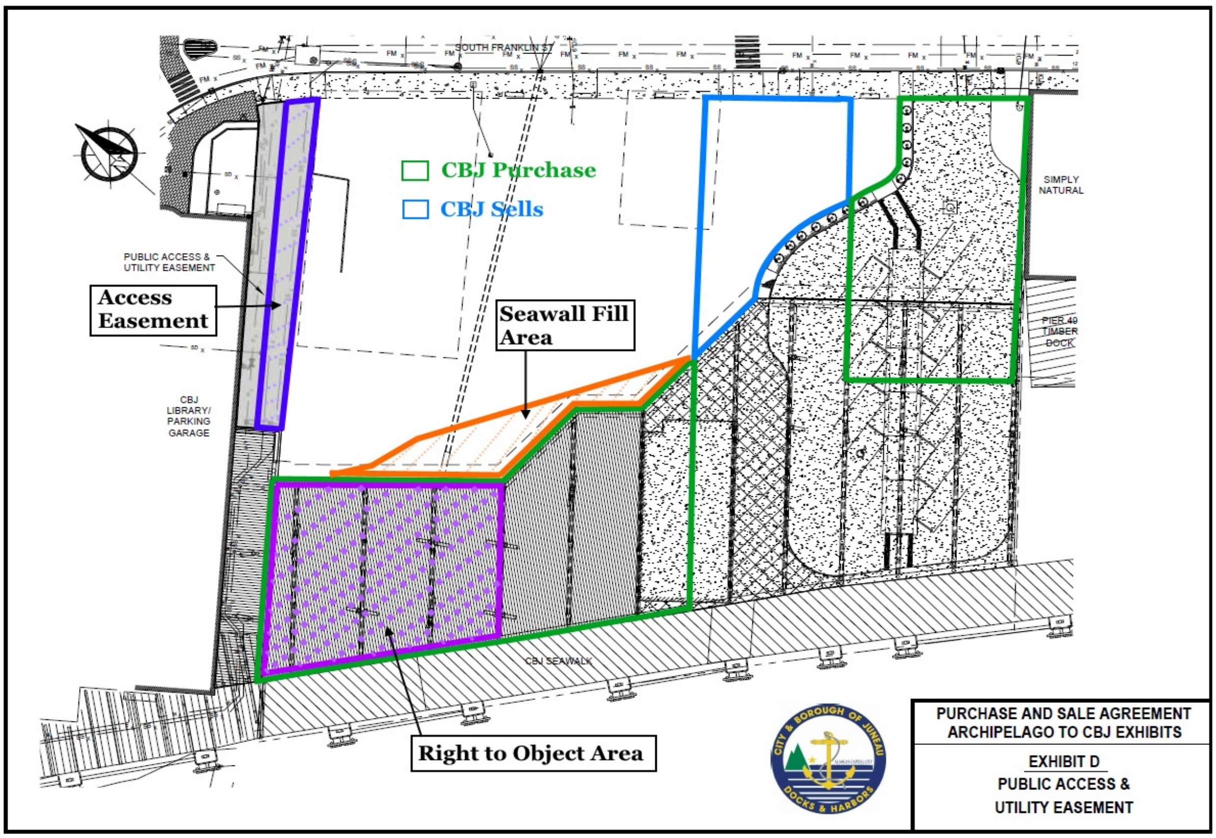


FIGURE 4.6 – PSA Exhibit D (Draft 11/23/18) modified to show valuation elements of the purchase and sale agreement. This figure does not reflect property line changes as of December 3, 2018

ADDENDA

SUBJECT PHOTOGRAPHS

PHOTO 1 – PANORAMA VIEW OF SUBJECT LOOKING SOUTHWEST AS IT FACES SOUTH FRANKLIN STREET. (120417_3106)

PHOTO 2 – SOUTH FRANKLIN STREET SCENE LOOKING SOUTHEAST. SUBJECT PHOTO RIGHT. (120417_3100).

SUBJECT PHOTOGRAPHS

PHOTO 3 – LOOKING SOUTH ACROSS THE NORTHERN FILLED UPLAND PORTION OF THE SUBJECT FROM CITY SERVICE ALLEY ADJACENT TO THE LIBRARY PARKING LOT. (120417_3099).

PHOTO 4 – LOOKING EAST FROM CITY SERVICE ALLEY ADJACENT TO LIBRARY PARKING LOT (PHOTO LEFT) ACROSS SUBJECT TIDELANDS ONTO FILLED LANDS. NOTE SLOPING RIP RAP WHERE TIDELANDS MEET VEGETATED UPLANDS. (120417_3096).

SUBJECT PHOTOGRAPHS

PHOTO 5 –LOOKING NORTH ACROSS NORTHERN TIDELANDS AND UPLANDS ADJACENT TO LIBRARY PARKING LOT. (120417_3086)

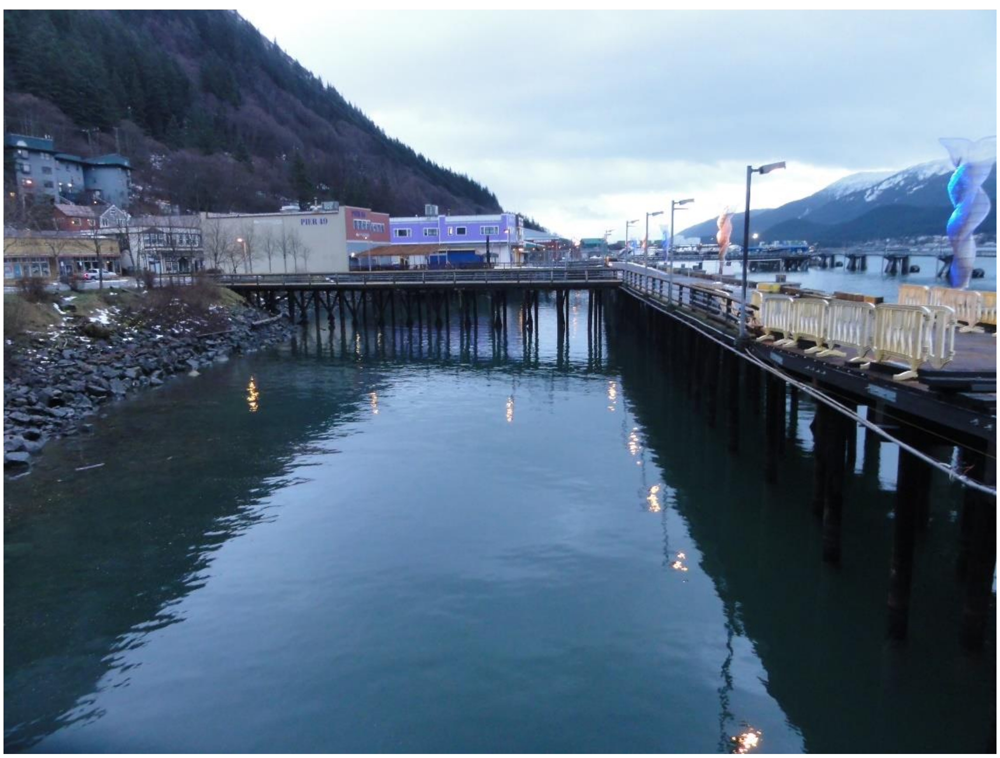


PHOTO 6 – LOOKING SOUTHEAST ACROSS THE TIDELANDS ADJACENT TO SEAWALK PHOTO RIGHT. NOTE PIER PHOTO CENTER IS DISREGARDED FOR THE PURPOSE OF THIS APPRAISAL. (120417_3097).

SUBJECT PHOTOGRAPHS

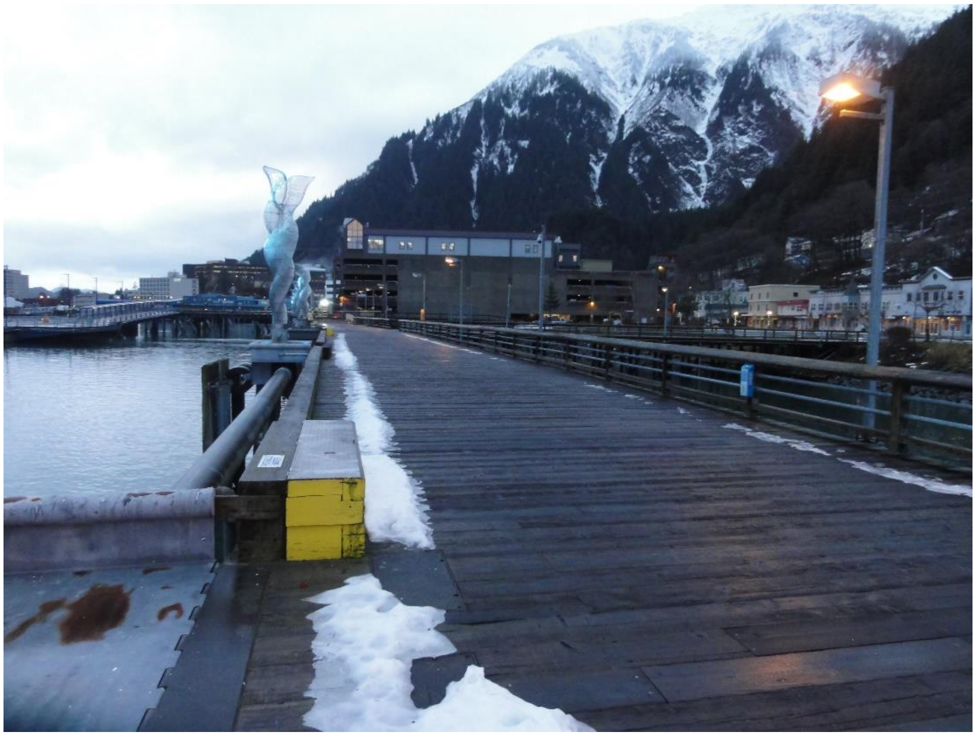


PHOTO 7 – VIEW OF SEAWALK LOOKING IN A NORTHWESTERLY DIRECTION ADJACENT TO SUBJECT WHICH IS PHOTO RIGHT OF SEAWALK. NOTE RECENTLY COMPLETED CRUISE SHIP DOCK OFFLOADING RAMP PHOTO LEFT OF SEAWALK, WHICH EXITS PASSENGERS JUST NORTH OF LIBRARY PARKING STRUCTURE PHOTO CENTER BACKGROUND. (120417_3080)

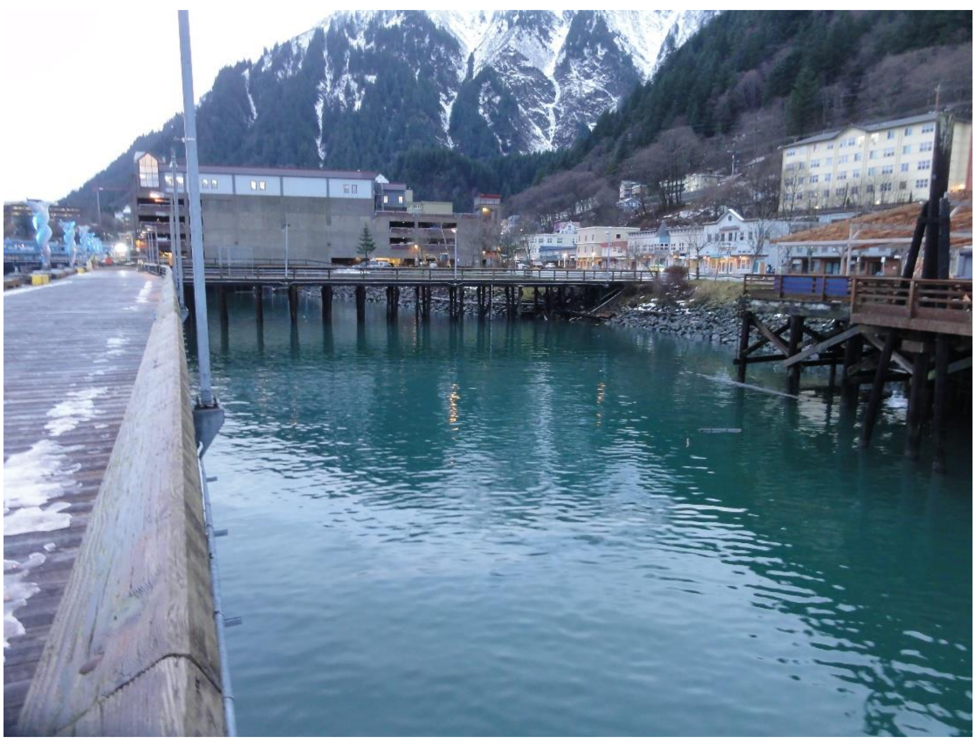


PHOTO 8 – LOOKING IN A NORTHWESTERLY DIRECTION AT SUBJECT TIDELANDS PHOTO RIGHT OF SEAWALK. NOTE PIER PHOTO CENTER IS DISREGARDED FOR THE PURPOSE OF THIS APPRAISAL. (120417_3078)

SUBJECT PHOTOGRAPHS

PHOTO 9 – LOOKING SOUTHEAST FROM PIER TO SOUTHERN PART OF SUBJECT. UPLANDS PHOTO LEFT AND SLOPING TIDELANDS PHOTO RIGHT. (120417_3092)

PHOTO 10 – AERIAL PHOTO LOOKING NE. SUBJECT PHOTO CENTER. (62718_2980)

SUBJECT PHOTOGRAPHS

PHOTO 11 - Strip of land along north edge of Archipelago Property looking in a westerly direction toward dock. Note wooden ramp photo background right. (120417_3102)

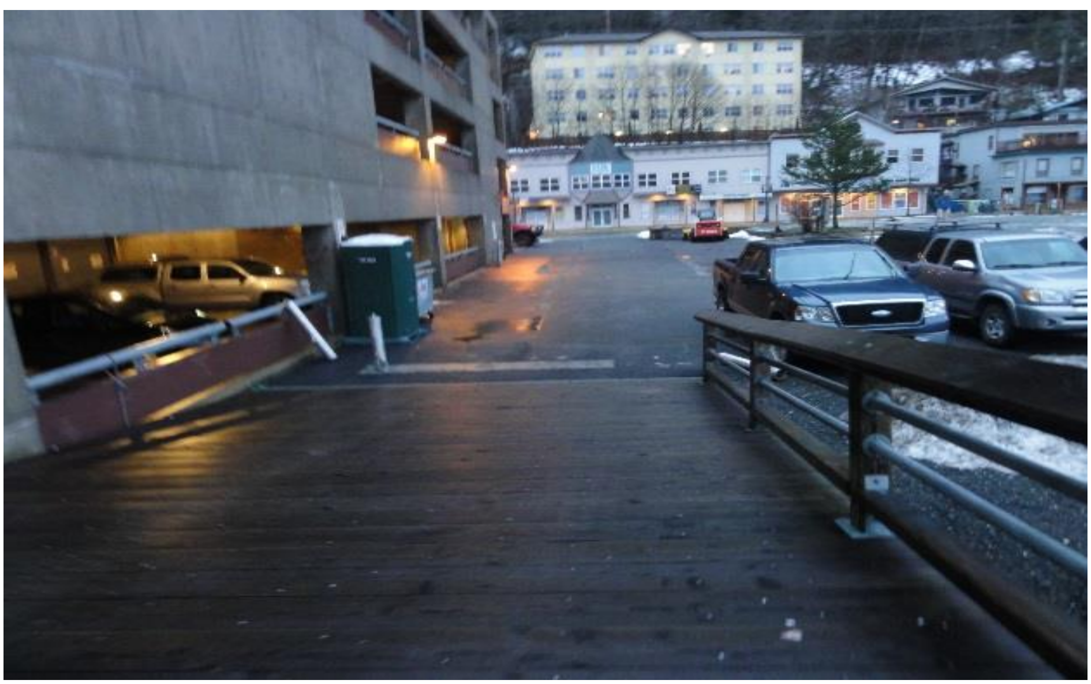


PHOTO 12 - Same strip of land along northern edge of property looking in an easterly direction from dock ramp toward South Franklin Street. (120417_3098)

Community: 17 CBJ - Town - CBD - Retail **Recording District:** Juneau

Address: 490 490 South Franklin **City:** **State:** **Zip:**

Location: 490 South Franklin Street, Mt. Roberts Tram

Legal: Leased Site. Portions Lots 13, 16 & 17, Block 83, ATS 3, Plat 355 & a portion of Lot 1, Plat 89-9; Parcel Number: 1C100K830011

Instrument: Land **Serial:** 1995-004154-0

Trans.Type: Land Lease

Rights: Lease Fee, Air Rights

Terms: Typical Juneau lease; 5 year renewal

Annual Rent: **$270,000**

Trans. Date: March 2, 2015

Grantor: City and Borough of Juneau

Grantee: Goldbelt

Size (SF): 10,000

Frontage: ±175' on Gastineau Channel

Zone: WI

Utilities: Water, Sewer, Electric, Telephone

Access: Road, paved

Improvements: Tramway

Land Class: Waterfront, Tidelands, Commercial

Topography: Level

Vegetation: None

Soil: Typical, See Comments

Present Use: Tramway

Intended Use: Tramway

Highest and Best Use: Valued as Commercial retail per lease

Comments

This form shows fee land & rent only. Estimated values set by Harbor Board. 10,000 SF Fee land for base tram site. In addition the air rights, 21,815 SF is rented for $2,000/ year.

Analysis:

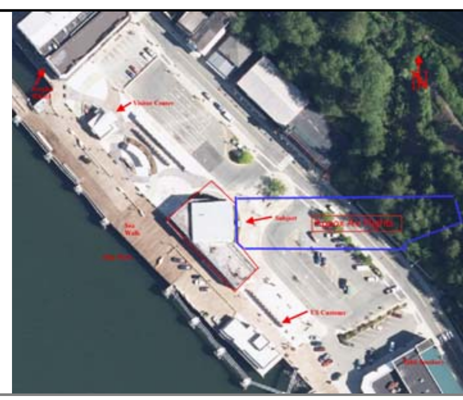
land rent-value as follows set by Harbor Board:
Fee land rent $270,000/year/ 10,000 SF = $27/SF/yr. cap @9% = $300/SF Value
Air Rights rent $2,000/year. $2,000/9% land cap rate refered to in lease amendment $22,222.22 = $1.02/SF value (21,815SF)

Marketing Info: Revised rent effective 3/2/15 (30 days after effective date of CBJ Ordnance 2015-06) based on negotiations. Rent is retroactive to July 1, 2013 to June 30, 2020. from 2012 -2014. Going forward lease formula 9% of land value. $2,000/yr air rights. To be reappraised in 5 years. Port memo noted the revised lease effective 7/1/2006, with the removal of royalties as $104,000 annually, or as capitalized; $1,300,000 for the site; $130/SF at 8%. Original lease recorded 6/30/1995, rent 10% based on $30/SF plus

Confirmed with:	Teena, lease docs	Teena, Ports
Confirmed date:	3/31/2017	8/21/2011
Confirmed by:	C.Horan	T.Riley

Revision Date: 1/2/2018

Record Number: 7341



Community: 17 CBJ - Town - CBD - Retail
Recording District: Juneau
Address: 356 South Franklin St
City: Juneau
State:
Zip:
Location: 356 South Franklin St.
Legal: Ptn Lot 7A1, Plat 2011-38;

Instrument: SWD - **Serial:** 2011-007713-0
Trans.Type: Sale
Rights: Fee Simple
Terms: Assume Cash

Sale Price: $498,300
Trans. Date: December 16, 2011
Grantor: Archipelago Properties LLC
Grantee: City and Borough of Juneau

Size (SF): 1,650
Frontage: 309.86
Zone: WC

Topography: Level
Vegetation: None
Soil: Typical

Utilities: All
Access: Road, paved, See Comments
Improvements: None
Land Class: Vacant, Commercial, Waterfront

Present Use: Parking
Intended Use: Sidewalk
Highest and Best Use: Sidewalk

Comments
This was an acquisition of a 5 foot strip of land along the South Franklin street frontage to widen the sidewalk. The size of this parcel varied somewhat based on whether it considered a small area encumbered by an existing easement. In the end the sales price was calculated on 1651 SF which is used for our analysis.

Analysis:
$498,300/1651 SF = $300/SF

Marketing Info: This parcel along with two others is sold to the City Borough of Juneau were negotiated over a period of one to two years. Both buyer and seller felt these were market transactions. The price was allocated at $41/ SF. They have no direct access to sell Franklin street. These totally submerged lands were considered somewhat isolated by the Sellers and would have been more difficult to market to others. The se seller felt the purchase was a good fit for the CBJ which would need land for public areas with its planned

Confirmed with: Bud Simpson
Confirmed date: 4/25/2014
Confirmed by: C.Horan

Revision Date: 1/11/2018
Record Number: 7238

041012_1394.jpg 041012_1394

Untitled.bmp 1
use plat.

Community: 17 CBJ - Town - CBD - Retail **Recording District:** Juneau
Address: 356 South Franklin St **City:** Juneau **State:** **Zip:**
Location: ROW expansion from S Franklin to Sea walk
Legal: Purchased existing Easement and additional 25' strip of fee land;

Instrument: SWD - **Serial:** 2013-005909-0
Trans.Type: Sale
Rights: Fee Simple, Easement
Terms: Assume Cash

Sale Price: $910,352
Trans. Date: August 20, 2013
Grantor: Archipelago Properties LLC
Grantee: City and Borough of Juneau

Size (SF): 5,287
Frontage: 309.86
Zone: WC

Utilities: All
Access: Road, paved, See Comments
Improvements: None
Land Class: Vacant, Commercial, Waterfront

Topography: Level, Submerged
Vegetation: None
Soil: Typical

Present Use: Walk way & undeveloped strip of vacant land
Intended Use: access from South Franklin street to the cruise ship dock which it plans to expand.
Highest and Best Use: Commercial- Retail

Comments

This purchase consisted of the about 10,913 SF of which approximately 5496.2 SF was encumbered by a 25 foot access easement held by the purchaser, CBJ, and a fee simple 5416.8 SF adjacent 25 foot strip which would then give the purchaser the fee simple 50 foot wide parcel it intends to use for access from South Franklin street to the cruise ship dock which it plans to expand. The closing documents allocated all the value to the fee 25 foot wide fee simple strip.

Analysis:

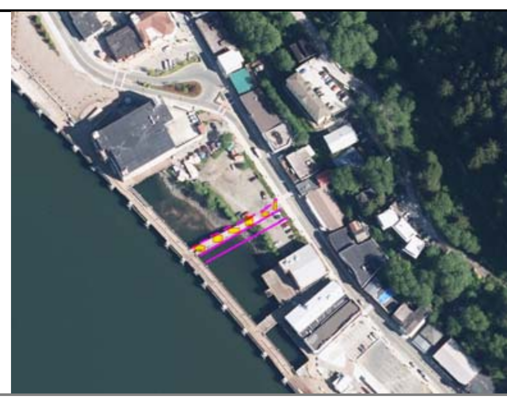
Although the entire transaction was approximately 10,913 SF. The parties agreed the easement area approximately 5496.2 SF contributed no value. The unencumbered 5416.8 SF was allocated as follows
$300/ SF for 2535 SF = $760,500
$52/SF for 2881.8 SF ~ $149,853

Marketing Info: This parcel along with two others is sold to the City Borough of Juneau were negotiated over a period of one to two years. Both buyer and seller felt these were market transactions. The price was allocated at $300/SF for the filled up lands and $52/SF for the tidelands from the city perspective with no value attributed to the existing 25 foot access easement.
According to Bud Simpson representative of the seller he felt the encumbered 25' access easement had some value to the transaction

Confirmed with: Bud Simpson, Seller
Confirmed date: 4/25/2014
Confirmed by: C.Horan

Revision Date: 1/2/2018
Record Number: 7740

040314_0969.jpg 040314_0969



Untitled.bmp 1
use plat.

Community: 17 CBJ - Town - CBD - Retail
Recording District: Juneau
Address: 386 386 South Franklin St **City:** Juneau **State:** **Zip:**
Location: Adjecnt to 386 S Franklin on the Sea walk
Legal: Lot 3, Archipelago Subdivision, a subdivision of Lot 7A1, Lot 9A, and fraction of Lot 9B, Block 83, Juneau Tidelands Addition, ATS No. 3, Plat 2013-22;

Instrument: SWD - **Serial:** 2013-006640-0
Trans.Type: Sale
Rights: Fee Simple, Easement
Terms: Assume Cash

Sale Price: $298,035
Trans. Date: September 25, 2013
Grantor: Archipelago Properties LLC
Grantee: City and Borough of Juneau

Size (SF): 7,267
Frontage:
Zone: WC

Topography: Submerged
Vegetation: None
Soil: Typical

Utilities: All
Access: Road, paved
Improvements: None
Land Class: Vacant, Commercial, Waterfront

Present Use: undeveloped
Intended Use: Public Memorial nad pedestrian way
Highest and Best Use: Commercial- Retail

Comments

These are completely submerged lands having access from adjacent boardwalk public right of way adjacent to crew ship dock. There's no frontage on vehicular right-of-way South Franklin Street. Site development would require piling in dock development.

Analysis:

$298,035/7,267 SF= $41.01/SF

Marketing Info: This parcel along with two others is sold to the City Borough of Juneau were negotiated over a period of one to two years. Both buyer and seller felt these were market transactions. The price was allocated at $41/ SF. They have no direct access to S. Franklin Street. These totally submerged lands were considered somewhat isolated by the Sellers and would have been more difficult to market to others. The se seller felt the purchase was a good fit for the CBJ which would need land for public areas with its planned

Confirmed with: Bud Simpson
Confirmed date: 4/25/2014
Confirmed by: C.Horan

Revision Date: 11/8/2017
Record Number: 7889

040314_0974.jpg 040314_0974

Untitled.bmp 1

use plat.

Community: 17 CBJ - Town - CBD - Retail
Recording District: Juneau
Address: 406 South Franklin St
City: Juneau
State: AK
Zip: 99901
Location: Seaward of 406 South Franklin Street, Alaska Pacific Pier Building
Legal: Seaward of Lot 8, Block 83, Tidelands addition to the Juneau Townsite
Noted as ATS 3, Lot 9B, Block 83 (14-105); Parcel Number: 1C070K830041

Instrument: Lease
Serial:
Trans.Type: Land Lease
Rights: Lease Fee
Terms: Original Lease Date 5/1/03 with first adjustment due 5/1/14 and every 3 years thereafter. 35 years term of lease.

Annual Rent: $26,082
Trans. Date: May 1, 2013
Grantor: CBJ
Grantee: Alaska Pacific LLC (Tripp/Timberwolf)

Size (SF): 7,245
Frontage: 95.3 Water Front
Zone: WC
Topography: Submerged, Sloping, Gradual sloping/beach
Vegetation: None
Soil: Buildable

Utilities: All
Access: See Comments
Improvements: Dock
Land Class: Waterfront, Tidelands, Commercial

Present Use: Retail
Intended Use: Retail
Highest and Best Use: Retail

Comments
Ongoing dock lease. Access is adjacent Werner's Wharf, area not built on as of November 2016, in PD2 Parking District..

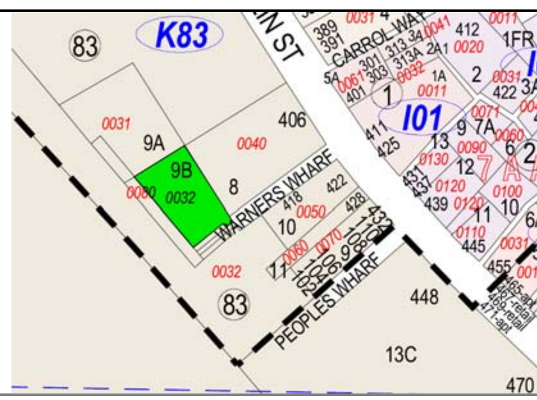
Analysis:
Annual rent estimated based on 8% of $45.00/SF.

Marketing Info: 35 year lease. Rent based on Market fixed for 10 years at $7,180/ year then adjusts every three years to market effective starting 5/1/2013 rent Changed to $26,082/per year based on appraisal of estimated land $45/SF and market lease % rate of 8%. .

Confirmed with:	Teena Scoville CBJ Port	Teena Scoville, CBJ Port
Confirmed date:	10/01/2016	9/29/2011
Confirmed by:	C.Horan	S. Aday

Revision Date: 1/2/2018
Record Number: 7062

042813_0676.jpg 042813_0676



Untitled.wmf

HORAN & COMPANY, LLC **LAND COMPARABLE NUMBER 6**

Community: 17 CBJ - Town - CBD - Retail **Recording District:** Juneau
Address: 422 South Franklin St **City:** Juneau **State:** AK **Zip:** 99801
Location: Seawaerd of 422 South Franklin Street
Legal: Portion of Lot 9, Block 83 Tidelands Addition, Juneau Townsite; Our File #12-034; Parcel Number: 1C-070-K830-050

Instrument: Land **Serial:**
Trans.Type: Land Lease
Rights: Lease
Terms: May 2006 Start date, adjustment every 5 years, 35 years total

Annual Rent: $15,637.6
Trans. Date: July 1, 2016
Grantor: City and Borough of Juneau
Grantee: JNY, LLC,- Diamonds Int. (partners-Roeland &

Size (SF): 1,954.7
Frontage: 47' wide
Zone: WC

Topography: Tidelands
Vegetation: None
Soil: Gravel

Utilities: Water, Telephone, Sewer, Electric
Access: Road, paved
Improvements: None
Land Class: Tidelands, Waterfront, Commercial

Present Use: Vacant
Intended Use: Extend adjacent commercial improvements.
Highest and Best Use: Develop retail structure.

Comments
Legal constraints on this site is a FEMA prohibition on non-waterfront dependent uses below the 15.4' high tide mark, not precluding the construction of a dock.

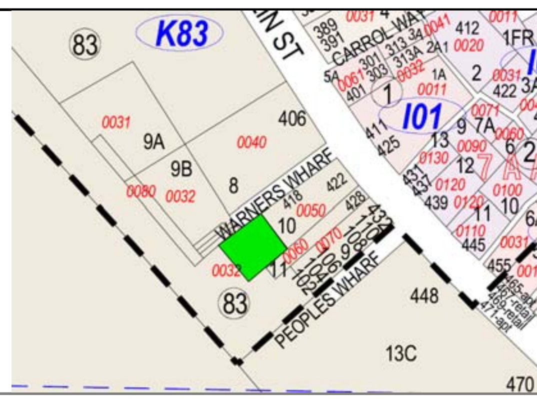
Analysis:
$15,637.60/1954.7 = $8.00/SF. Cap Rate @ 8% = $100/SF Value.

Marketing Info: Based on wold appraisal (see filse 11-051)
Tidelands valued by Wold appraisal, effective date of October 2005, at $125/SF. Wold further concluded if sidewalk access was hypothetically developed, value would be $225/SF.
CBJ tidelands lease effective 5/1/06 of 1,954.7 SF @ $19,547/yr; Fee simple value capitalized at 8% lease rate indicates $125/SF. Effective 11/7/2011, $15,500/ year (12-034) value capitalized at 8% indicates $99.12/SF. Rent adjusted (file16-142) Based on $8/SF

Confirmed with:	Teena Scovill, CBJ	Teena Scovill, CBJ
Confirmed date:	3/31/2017	5/1/2014
Confirmed by:	C.Horan	C.Horan

Revision Date: 1/2/2018
Record Number: 5012

042813_0671.jpg 042813_0671



Untitled.wmf

Community: 17 CBJ - Town - CBD - Retail **Recording District:** Juneau
Address: 432 South Franklin St **City:** Juneau **State:** AK **Zip:** 99801
Location: People's Wharf
Legal: Portion of Lot 9B & Lot 13B, Block 83, ATS No.3 (See (13-049); Parcel Number: 1C070K830071

Instrument: Land **Serial:**
Trans.Type: Land Lease
Rights: Fee Simple, Lease Fee, Permit/License
Terms:

Annual Rent: $5,950
Trans. Date: July 1, 2012
Grantor: CBJ
Grantee: Bill Heumann

Size (SF): 476
Frontage:
Zone: WC
Topography: Level
Vegetation: None
Soil:

Utilities: All
Access: Road, paved
Improvements: transitional - see notes
Land Class: Commercial, Waterfront

Present Use: retail/apartments
Intended Use: retail/apartments
Highest and Best Use:

Comments

Analysis:

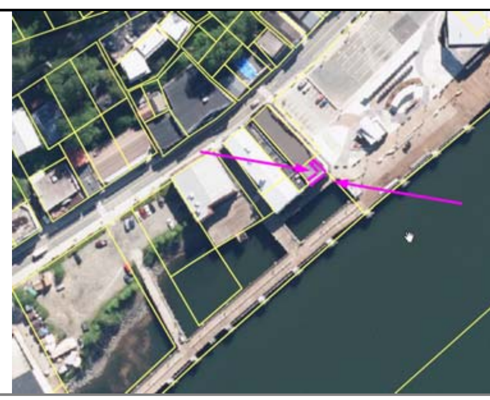
$5,950 Cap at 10%=$59,500
$59,500/476=$125/SF

Marketing Info: Previous rent was $4,760? Apprised (13-049) for annual lease renewal effective June 1, 2013 with market value estimate at $59,500 or $125/SF. Contract annual rent is 10% or $5,950.

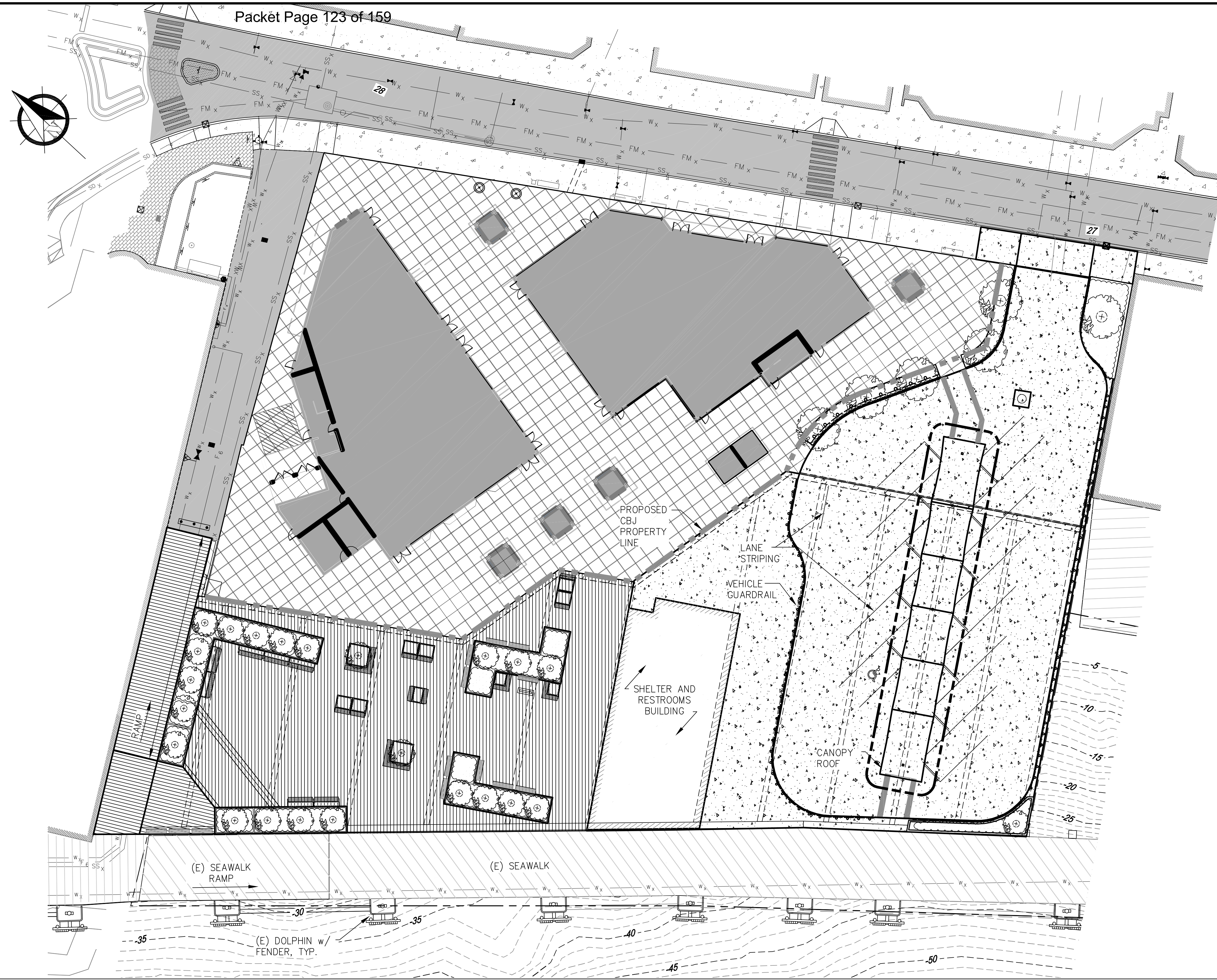
These sloping tideland were estimated at 40% of the value of filled uplands.

Confirmed with:	Teena Scovill	CBJ
Confirmed date:	5/1/2014	9/20/2006
Confirmed by:	C.Horan	CH & TR
Revision Date:	12/3/2017	
Record Number:	7659	

041012_1400.jpg 041012_1400



Untitled.bmp



REVISIONS

REV.	DATE	DESCRIPTION	DWN.	CKD.	APP.

PND ENGINEERS, INC.
9360 Glacier Highway Ste 100
Juneau, Alaska 99801
Phone: 907-586-2093
Fax: 907-586-2099
www.pndengineers.com

DESIGN: MDS CHECKED: CRS
DRAWN: PJD APPROVED: CRS

SCALE: SCALE IN FEET 0 20 40 FT.

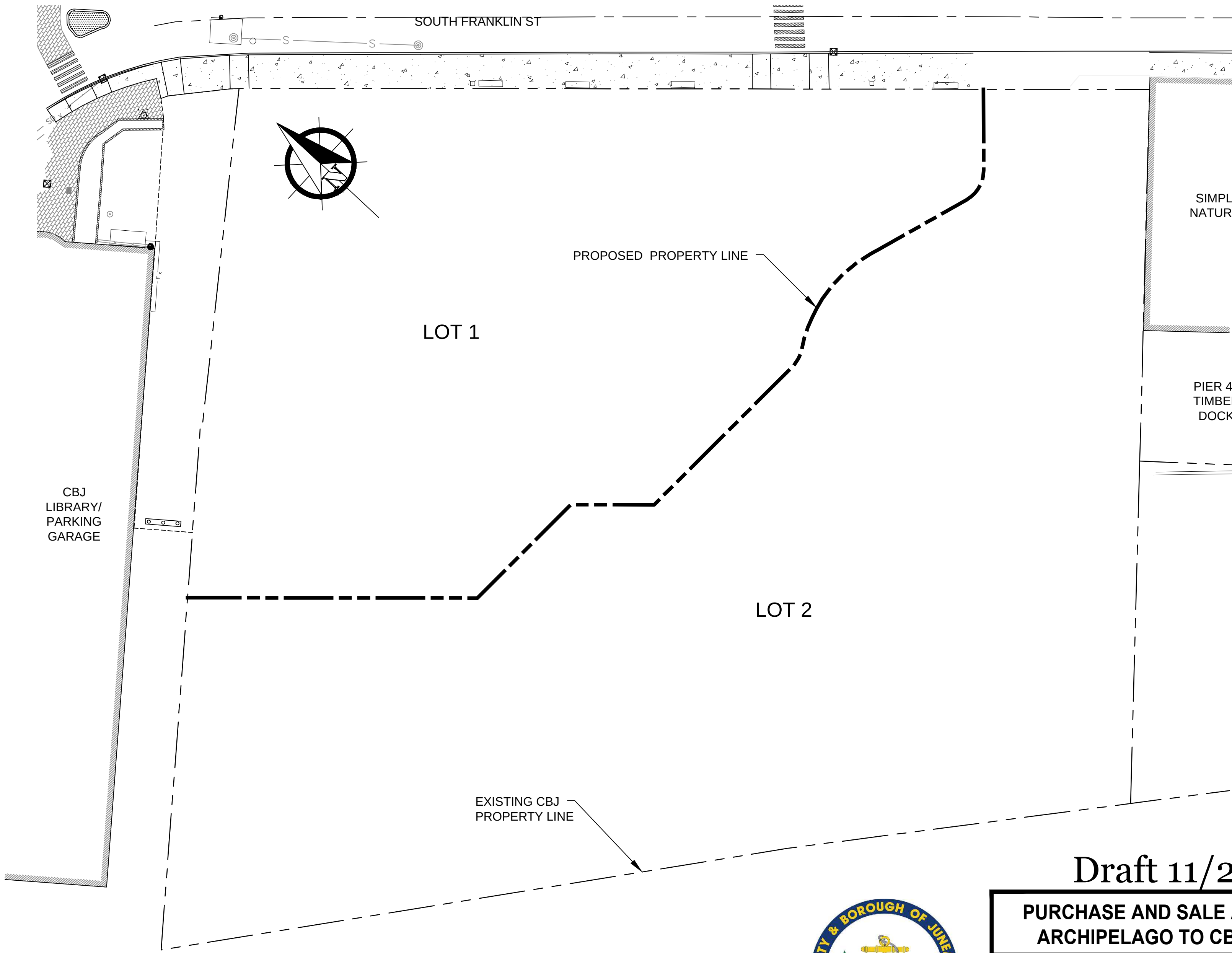
DATE: 10/25/2018

CITY & BOROUGH OF JUNEAU, ALASKA
DOWNTOWN WATERFRONT IMPROVEMENTS
CBJ CONTRACT NO. DH19-014

SHEET TITLE:
COMBINED PUBLIC AND PRIVATE DEVELOPMENT PLAN

PND PROJECT NO.: 182045 -----.DWG

1

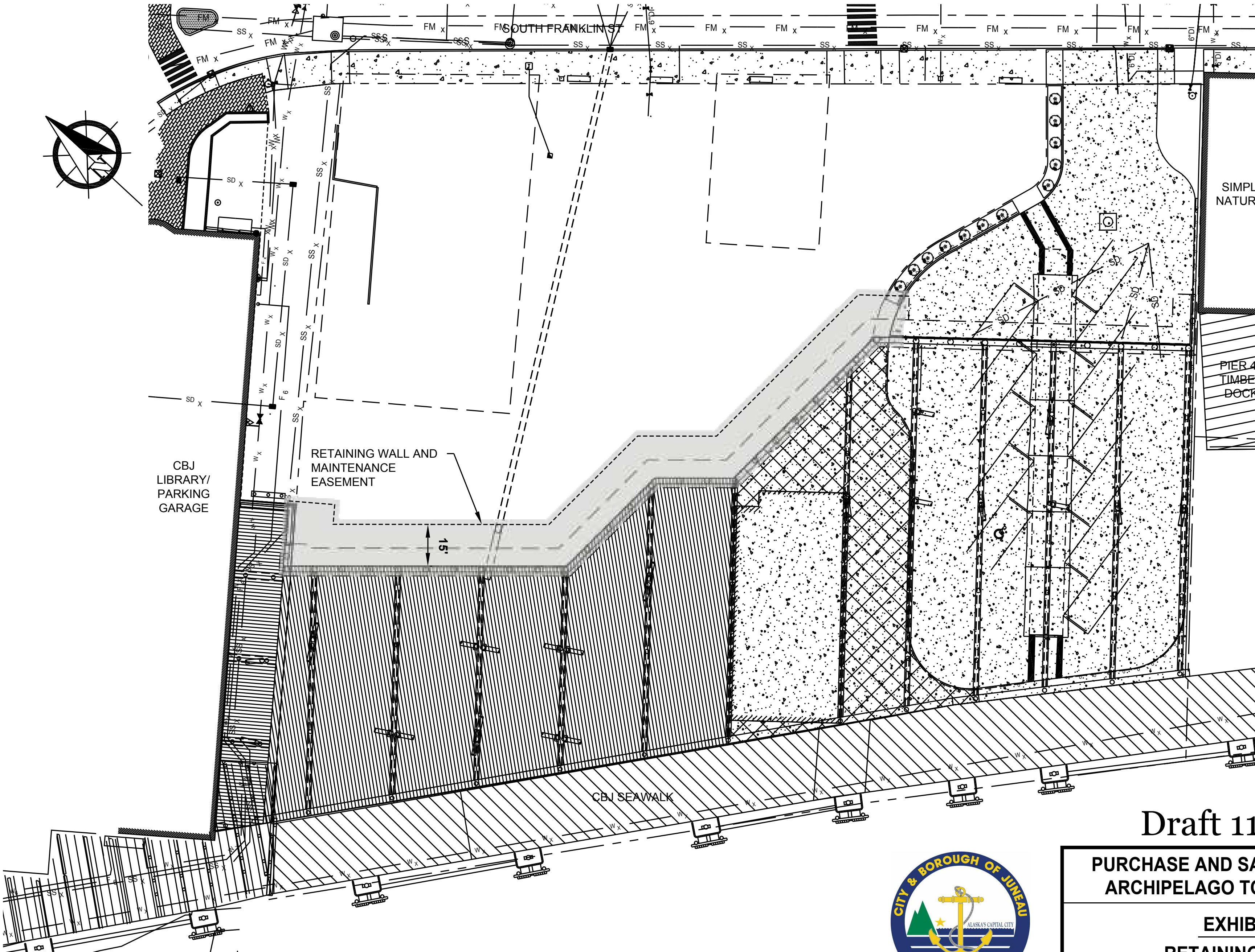


Draft 11/23/18

PURCHASE AND SALE AGREEMENT
ARCHIPELAGO TO CBJ EXHIBITS

EXHIBIT A

SURVEY PLAT

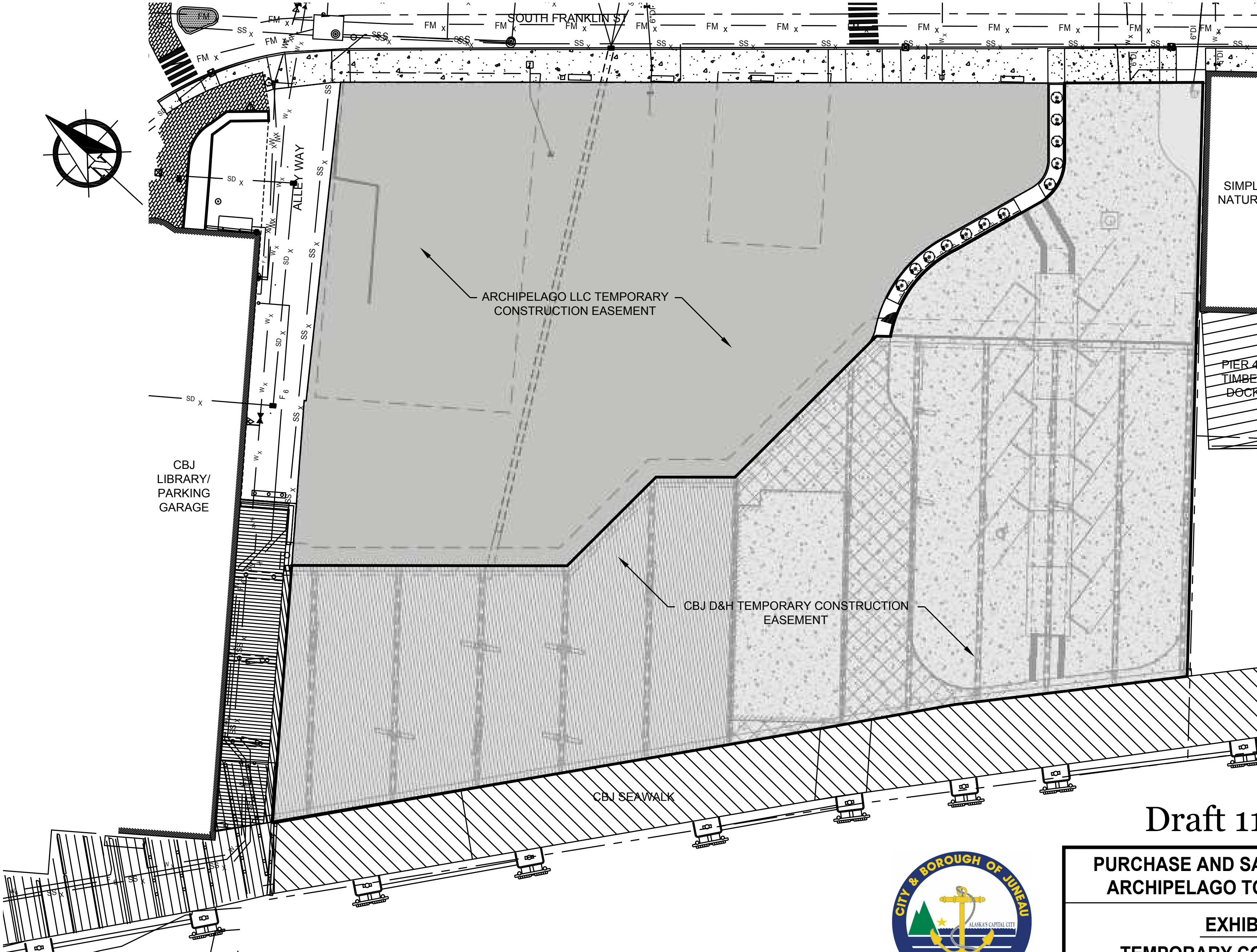


Draft 11/23/18

PURCHASE AND SALE AGREEMENT
ARCHIPELAGO TO CBJ EXHIBITS

EXHIBIT B

RETAININGWALL &
MAINTENANCE EASEMENTS



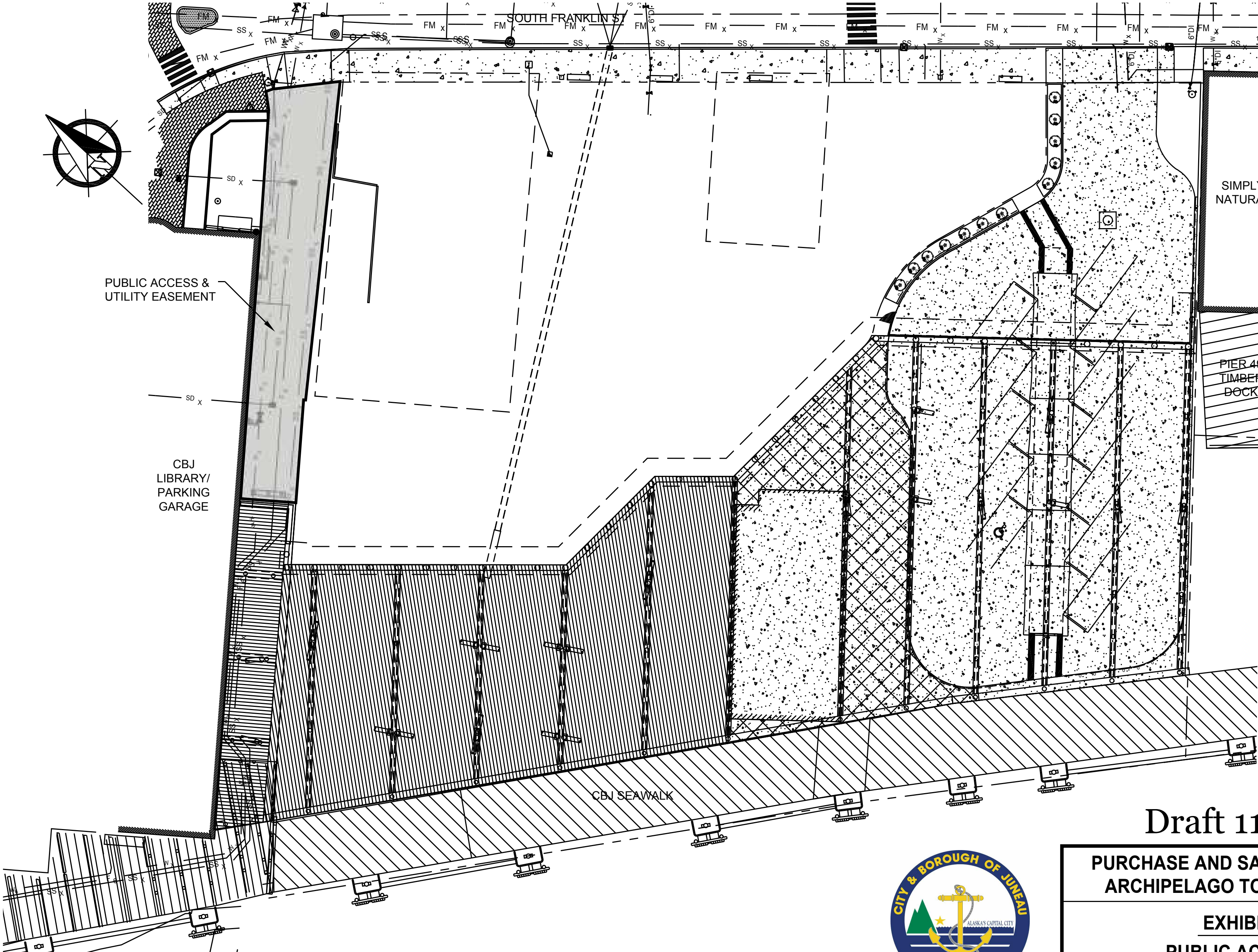
Draft 11/23/18

CITY & BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
DOCKS & HARBORS

PURCHASE AND SALE AGREEMENT ARCHIPELAGO TO CBJ EXHIBITS

EXHIBIT C

TEMPORARY CONSTRUCTION EASEMENTS



Draft 11/23/18

PURCHASE AND SALE AGREEMENT
ARCHIPELAGO TO CBJ EXHIBITS

EXHIBIT D

PUBLIC ACCESS &
UTILITY EASEMENT

Draft 11/23/18

PURCHASE AND SALE AGREEMENT
ARCHIPELAGO TO CBJ EXHIBITS

EXHIBIT E

FUTURE IMPROVEMENTS AREA

Draft October 29, 2018

REAL PROPERTY PURCHASE AND SALE AGREEMENT

This Real Property Purchase Agreement ("Agreement") is made in duplicate and entered into by and between **Archipelago Properties, LLC**, an Alaska Limited Liability Company, having a mailing address of 725 Broad Street, Augusta, Georgia 30901 ("Archipelago") and, the **City and Borough of Juneau**, a municipal corporation in the State of Alaska, having its offices at 155 South Seward Street, Juneau, Alaska 99801, ("CBJ") (collectively, "Parties").

1. Intent: The Parties wish to execute this Purchase and Sale Agreement ("Agreement") to facilitate the reconfiguration and development of the below described real property for their mutual benefit.

2. Real Property: Subject to the terms and conditions set forth in this Agreement, Archipelago agrees to convey to CBJ, and CBJ agrees to convey to Archipelago, fee simple title to the following described real property located in the Juneau Recording District, First Judicial District, State of Alaska:

> A portion of Lots 1 and 2 owned by Archipelago, and Lot 4 owned by CBJ, Archipelago Subdivision, Plat No. 2013-22, Juneau Recording District, First Judicial District, State of Alaska, as further described in Exhibit A.

(hereinafter, the "Property").

3. Purchase Area: The area of the Property to be conveyed by Archipelago to CBJ consists of approximately _____ square feet of land; and the area of the Property to be conveyed by CBJ to Archipelago consists of approximately _____ square feet of land; as described in Exhibit A of this Agreement (hereinafter, the "Purchase Area").

4. Land Value: [Place holder for stating final value when survey and appraisal are completed.]

5. Evidence of Title: Archipelago and CBJ represent that fee simple title to the Property is vested in Archipelago and CBJ, respectively.

6. Title Insurance: Within 10 calendar days of the execution of this Agreement, the Parties shall jointly obtain an updated preliminary commitment to issue title insurance. Each Party shall have 10 calendar days after receipt of the updated preliminary title report to notify the other of any objections to title conditions stated in the report. After notification of any title objections, if it appears that either Party will be unable to convey title to the Property free and clear of encumbrances, liens, or exceptions to title, other than those deemed acceptable by the other Party, that Party shall have a further period of 30 days within which to perfect title. If, at the end of such period, the Party is still unable to convey title to the Property free and clear of all encumbrances, liens or exceptions to title except as aforesaid, the other Party may elect to accept such title as that Party can convey, upon the payment of the purchase price stated in Paragraph 3 herein, as may be adjusted by mutual agreement of the parties on account of the encumbrance, or a Party may, without penalty, terminate this Agreement and have no further obligations hereunder.

hereunder.

7. Conveyance: The Parties shall convey title to the Property to the other Party by quitclaim deed, free of any mortgages, liens, encumbrances or other defects in title, other than those deemed acceptable by the other Party.

8. Encumbrances: The Parties agree not to sell, convey, or further encumber the Property prior to closing without concurrence of the other party.

9. Retaining Wall: CBJ, in conjunction with the construction of a piling-supported structure over its submerged portion of the Property, and subject to appropriation, intends to construct and maintain a retaining wall through the Property, as further described in Exhibit B.

10. Construction Easement: Recognizing the extraordinary cost associated with constructing the pile decking and transportation staging parking from the channel side of the Property from barges, Archipelago shall grant to CBJ an exclusive temporary construction easement or license on its uplands portion of the reconfigured Property, as further described in Exhibit C, to allow staging of equipment, material, and personnel, as well as construction from the uplands side of the Property. When CBJ has substantially completed construction of the pile decking and transportation staging area, CBJ shall likewise grant to Archipelago a temporary easement or license to the transportation staging and pile-supported decking areas for construction of Archipelago's upland improvements. The Parties shall indemnify and hold each other harmless during their respective construction activities and maintain appropriate liability insurance. These indemnity terms shall survive after construction is completed. Upon completion of its construction activities on the uplands site, CBJ shall leave a clean and graded uplands site.

11. Construction Timing and Reversion: CBJ shall have until March 29, 2019, to appropriate funding for the transportation staging, shuttle parking and deck-over portion of the project; to advertise such project for bid; and to order construction materials to be supplied by CBJ. If the forgoing actions have not been completed by such date, Archipelago shall have the right, but not the obligation, to terminate the Construction Easement described in Section 10 hereof, and to proceed immediately with Archipelago's commercial development and construction on its upland property. Further, if CBJ has not commenced construction of its project on the adjoining portion of the property within three (3) years of the date on which this Agreement was executed by both parties, Archipelago shall have the right, but not the obligation, to repurchase the property sold or exchanged to CBJ under this Agreement at the then fair market value, including the value of any improvements made to the property by CBJ prior to that time. Any deadline set forth in this section may be extended for a reasonable time upon mutual agreement of the Parties if the action to be taken has been commenced and is reasonably certain to be completed within a time which will not materially further delay completion of the project.

12. Access between public parking structure and Property: As a condition of this purchase and sale agreement, CBJ agrees to provide a public access and utility easement for the area between the Property and the public parking structure. Archipelago and its tenants, invitees, and contractors shall have the non-exclusive right to access the area in the normal course of conducting business to service the Property. The parties understand and acknowledge that access to this area is from South Franklin Street, which is controlled by Alaska Department of

Transportation & Public Facilities. While the CBJ intends the area to be available for access to utilities for the mutual benefit of both Parties, ADOT has final control of road access to the area. This area and easement are further described in Exhibit D.

13. Access and Easements: No barriers shall be constructed between the two reconfigured properties, except as required for pedestrian safety between the transportation staging shuttle parking area and the Archipelago development. In the event a barrier is deemed required for public safety, both Parties prior to installation shall agree upon the design and location. Archipelago will grant an easement for placement, construction, and maintenance of a retaining wall as shown in Exhibit B and described in Section 9 hereof.

Subject to final design, if applicable, CBJ and Archipelago shall grant to one another utility easements for the installation, repair, maintenance, and improvements for utilities as needed. Archipelago and CBJ shall each be responsible for the repair and condition of utility improvements on their respective reconfigured parcels. If maintenance, repair or improvements of common utilities is required; and if the utilities include centrally located service to both properties; and if the utilities are not located in the public right-of-way, the Parties agree to equally share the cost of repairs and improvements.

Archipelago shall grant to CBJ an access easement across and on its property for the repair and maintenance of the retaining wall as needed from time to time.

CBJ grants to Archipelago and its tenants, invitees, and contractors a non-exclusive easement for access to the transportation staging shuttle parking area in the normal course of business. At no time, however, shall this easement conflict with or impair the primary use of the transportation staging shuttle parking area, which is to serve cruise ship passengers and tour agencies, as designated by CBJ. This non-exclusive easement shall only be in effect outside of peak usage by commercial passenger transportation vehicles, the primary user of the transportation staging shuttle parking area.

14. Future Improvements on Reconfigured Public Portion of Property: As used herein, the term “Future Improvements” means any permanent or temporary structure or improvement to be placed or constructed upon those portions of the present Archipelago subdivision parcels 1, 2, 3 and 4, after acquisition by CBJ, for public or private use, by either Party hereto or any third party. The term expressly excludes the area designated by CBJ for cruise ship passenger staging, loading and transportation (the “B Permit Parking Lot”); the area and structure designated for covered passenger staging, welcome and assembly; the act of decking over of the remaining open areas of the aforesaid parcels; and the commercial/retail development on the uplands portion of Lots 1 and 2; all of which are expressly contemplated within this transaction and consented to by the Parties (herein, the “Approved Structures”).

With respect to Future Improvements other than the Approved Structures, Archipelago shall have, and hereby reserve for itself and its successors and assigns, a limited right to object in advance of placement or construction of such improvements on the portion of the subject property designated on Exhibit E hereto, based upon the following considerations: Archipelago may object if the Future Improvement does not provide an identifiable public purpose or benefit, and is reasonably likely to impair, interfere with, or unfairly compete with, the businesses and operations taking place on the adjacent Archipelago premises. If CBJ proposes a Future Improvement it shall notify Archipelago in writing at least 180 days in advance of the intended date of commencement, and Archipelago shall have not more than 60 days to consider and state in writing its objection to the improvement, if any. In the event of objection, the two Parties will work in good faith to attempt to resolve the objectionable issues. Archipelago's approval shall not be unreasonably withheld, provided the above conditions are met.

15. No Violations: Both Parties represent that at this time and at the time of the closing of title, there shall exist no violations of government (including environmental, zoning and planning) rules, regulations or limitations, unless the same have become legally nonconforming, and no violations of any restrictive covenant, agreement or condition subject to which the title is to be conveyed in accord with the terms hereof.

16. Taxes: All local taxes applicable to the Property shall be prorated and paid through the date of closing.

17. Closing: Closing on the sale of the Property shall occur no later than _____________ unless the closing date is extended by written agreement of the parties. Such agreement shall not be unreasonably withheld.

18. Costs: CBJ shall be responsible for obtaining survey and subdivision of the Property; provided however that Archipelago and the CBJ shall share equally in the cost for survey and subdivision of the Property and title insurance. All reasonable and customary closing costs shall be split evenly between Archipelago and CBJ at time of closing. Each Party shall pay its own separate attorney fees incurred in negotiations, drafting, and documenting this transaction.

19. Conditions Precedent: The parties acknowledge that closing is subject to the following conditions:

a. Both Parties' receipt of a preliminary commitment to issue title documenting clear title to the Property, acceptable to each Party.

b. First American Title Insurance Company shall serve as closing and escrow agent for the parties hereunder.

c. Each Party and its representatives, consultants and contractors shall have the privilege, opportunity and right of entering upon the Property, in order to inspect and examine same and perform (i) a comprehensive inspection and review of the physical condition of the property; (ii) such environmental analysis as each Party deems necessary; (iii) a review of all plans, drawings, specifications and surveys pertaining to the property boundary, as well as other tests and inspections of same (including, without limitation, environmental tests, studies and examinations, soil tests, borings, percolation tests and other tests needed to determine surface, subsurface and topographic conditions); (iv) a land survey to establish the purchase area.

d. If any of these conditions are not satisfied within the timeframe provided, and the deadline has not been waived, then either party may elect to terminate this Agreement upon written notice.

20. General Agreement Terms:

a. Possession. Each Party shall continue in possession of its portion of the Property until closing. Possession shall be transferred at closing, subject to the easements granted herein.

b. Assignment. This Agreement is binding on the heirs, successors, and assigns of the parties, but shall not be assigned by either party without prior written consent of the other party.

c. Modifications. Any changes to this Agreement must be mutually agreed upon in writing before they will be regarded as part of this Agreement.

d. Notices. Any notice to be delivered pursuant to the terms hereof shall be in writing and shall be sent by certified mail, hand delivered, or by facsimile to the parties at the addresses set forth above, unless written notice of a different address shall be given to the other party.

e. Construction. This Agreement should not be construed in favor of or against any party, as both parties participated in negotiating and drafting it. This Agreement contains the entire agreement between the parties and supersedes all previous communications, representations or agreements, either oral or written, between the parties.

f. Choice of Law; Jurisdiction. This Agreement shall be governed by the law of the State of Alaska. Jurisdiction shall be in the State of Alaska, First Judicial District at Juneau. In the event that one party is required to take legal action to enforce any portion of this Agreement, the parties agree the non-prevailing party will pay the reasonable attorney fees incurred by the prevailing party.

g. Compliance with Applicable Laws. Both parties shall, at their sole cost and expense, comply with all applicable requirements of federal, state, and local laws, ordinances and regulations now in force, or which may be in force, during the performance of this Agreement.

h. Taxes and Other Obligations. Archipelago shall pay all federal, state and local taxes incurred by Archipelago, and shall require their payment by any subcontractor or any other persons in the performance of this Agreement. Archipelago has paid or will pay CBJ 2018 property taxes on its portion of the property; thereafter, the area of the Property, for taxation purposes shall be reduced by the amount of the conveyance herein/and the taxes for the remainder of the current tax year apportioned accordingly.

i. Conflict of Interest. Archipelago warrants that no employee or officer of the CBJ has violated the conflict of interest provisions of the CBJ code regarding this Agreement.

Archipelago also warrants that Archipelago has not solicited or received any prohibited action, favor or benefit from any employee or officer of CBJ, and that it will not do so as a condition of this Agreement. If Archipelago learns of any such conflict of interest, Archipelago shall without delay inform the City Attorney or CBJ representative for this Agreement.

j. Agreement Execution. This Agreement is not binding or effective until fully executed by all parties. This Agreement may be executed in two or more counterparts, which when taken together shall constitute a single, integrated and binding document. A facsimile signature of an authorized party shall be binding and valid as an original.

k. Brokers. It is understood by the parties that no agent or broker has been employed by either Party in this transaction. No claims of agents or brokers shall be recognized by CBJ or Archipelago regarding the Property.

The remainder of this page is intentionally left blank. The signature page follows.

ARCHIPELAGO: ARCHIPELAGO PROPERTIES, LLC

_____________________________________ Date: ___________________
Archipelago Properties, LLC

ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____________, 2018, by _________________________________, Member/Manager of Archipelago Properties, LLC, an Alaska limited liability company, on behalf of the limited liability company for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day, month and first year in the certificate first above written.

____
(Seal) Notary in and for the State of Alaska
My Commission Expires: ______________

CBJ: CITY AND BOROUGH OF JUNEAU

_____________________________________ Date: ___________________
Rorie Watt, City Manager

Approved as to form: _________________________ CBJ Law Department

Approved as to content: _________________________ Lands and Resources Manager

Approved to content: ____________________________ Docks & Harbors Director

ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____________, 2018, by _________________________________, the City Manager of the City and Borough of Juneau, an Alaska municipal corporation on behalf of said corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day, month and first year in the certificate first above written.

____
(Seal) Notary in and for the State of Alaska
My Commission Expires: ______________

QUALIFICATIONS OF CHARLES E. HORAN, MAI

Professional Designation	MAI, Member Appraisal Institute, No. 6534
State Certification	State of Alaska General Appraiser Certification, No. APRG41
Bachelor of Science Degree	University of San Francisco, B.S., Business Administration, 1973

Employment History:

8/04 – now	Owner, HORAN & COMPANY, LLC
3/87 –7/04	Partner, HORAN, CORAK AND COMPANY
1980 –2/87	Partner, The PD Appraisal Group, managing partner since November 1984 (formerly POMTIER, DUVERNAY & HORAN)
1976 – 80	Partner/Appraiser, POMTIER, DUVERNAY & COMPANY, INC., Juneau and Sitka, Alaska
1975 – 76	Real Estate Appraiser, H. Pomtier & Associates, Ketchikan, AK
1973 – 75	Jr. Appraiser, Ketchikan Gateway Borough, Ketchikan, AK

Lectures and Educational Presentations:

2017 “Municipal Assessment Record System” MARS Presentation on automated data collection and analysis for mass appraisals. Presented to Alaska Association of Assessing Officers, Anchorage.
2017 “Keeping it Simple – Local Market Value New Modeling” Presented to AAAO, Anchorage
2011, “Real Estate Market in Southeast Alaska” Presentations to Ketchikan, Juneau and Sitka Chambers of Commerce and Municipality of Skagway
2011, “Demystifying the Appraisal Process” Presentation to USFWS Market Analysis and UASFLA, Anchorage
2007, “Conservation Easements” Presentation - Alaska Association of Assessing Officers, Fairbanks, AK
1998, “Easement Valuation Seminar,” Alaska Chapter Appraisal Institute, Anchorage, AK
1998, “Easement Valuation Seminar,” Seal Trust, Juneau, Alaska
1997, “Sitka Housing Market,” Sitka Chamber of Commerce
1997, developed and taught commercial real estate investment seminar for Shee Atika, Inc.
1994, developed and taught seminar "Introduction to Real Estate Appraising," UAS, Sitka Campus
1985, Speaker at Sitka Chamber of Commerce, "What is an Appraisal? How to Read the Appraisal"
1984, Southeast Alaska Realtor's Mini Convention, Juneau, Alaska
Day 1: Introduction of Appraising, Cost and Market Data Approaches
Day 2: Income Approach, Types of Appraisals, AIREA Accredited Course
1983, "The State of Southeast Alaska's Real Estate Market"
1982, "What is an Appraisal?"

Types of Property Appraised:

Commercial - Retail shops, enclosed mall, shopping centers, medical buildings, restaurants, service stations, office buildings, auto body shops, schools, remote retail stores, liquor stores, supermarkets, funeral home, mobile home parks, camper courts. Appraised various businesses with real estate for value as a going concern with or without fixtures such as hotels, motels, bowling alleys, marinas, restaurants, lounges.
Industrial - Warehouse, mini-warehouse, hangars, docks barge loading facilities, industrial acreage, industrial sites, bulk plant sites, and fish processing facility. Appraised tank farms, bulk terminal sites, and a variety of waterfront port sites.
Special Land - Partial Interest and Leasehold Valuation - Remote acreage, tidelands with estimates of annual market rent. Large acreage land exchanges for federal, state, municipal governments and Alaska Native Corporations; retail lot valuations and absorption studies of large subdivisions; gravel and rock royalty value estimates; easements, partial interests, conservation easements; title limitations, permit fee evaluations. Appraised various properties under lease to determine leasehold and leased fee interests. Value easements and complex partial interests.
Special Projects - Special consultation for Federal land exchanges. Developed Land Evaluation Module (LEM) to describe and evaluate 290,000 acres of remote lands. Renovation feasibilities, residential lot absorption studies,

commercial, and office building absorption studies. Contract review appraiser for private individuals, municipalities, and lenders. Restaurant feasibility studies, Housing demand studies and overall market projections. Estimated impact of nuisances on property values. Historic appreciation / market change studies. Historic barren material royalty valuations, subsurface mineral and timber valuation in conjunction with resource experts. Mass appraisal valuations for Municipality of Skagway, City of Craig, Ketchikan Gateway Borough and other Alaska communities. Developed electronic/digital assessment record system for municipalities. Developed extensive state-wide market data record system which identified sales in all geographic areas.

Expert Witness Experience and Testimony:

2016 Expert Witness – D's Investment Group, LLC vs Erwin Enterprises, et al 1JU-15-971CI, settled
2012 Expert Witness – Dukowitz vs Chamberlain and First American Title Insurance Co. 1JU-12-778CI, settled
2011 Expert Witness – Wise and Wise vs City and Borough of Juneau. 1JU-10-584CI, settled
2009 Expert at mediation - Talbot's Inc vs State of Alaska, et al. IKE-07-168CI
2008 Albright vs Albright, IKE-07-265CI, settled
2006 State of Alaska vs Homestead Alaska, et al, 1JU-06-572, settled
2006 State of Alaska vs Heaton, et al, 1JU-06-570CI, settled
2006 State of Alaska vs Jean Gain Estate, 1JU-06-571, settled
2004 Assessment Appeal, Board of Equalization, Franklin Dock vs City and Borough of Juneau
2000 Alaska Pulp Corporation vs National Surety - Deposition
U.S. Senate, Natural Resources Committee
U.S. House of Representatives, Resource Committee
Superior Court, State of Alaska, Trial Court and Bankruptcy Courts
Board of Equalization Hearings testified on behalf of these municipalities: Ketchikan Gateway Borough, City of Skagway, City of Pelican, City and Borough of Haines, Alaska
Witness at binding arbitration hearings, appointed Master for property partitionment by superior state court, selected expert as final appraiser in multi parties suit with settlements of real estate land value issues

Partial List of Clients:

Federal Agencies
Bureau of Indian Affairs
Bureau of Land Mngmnt
Coast Guard
Dept. Of Agriculture
Dept. Of Interior
Dept. Of Transportation
Federal Deposit Ins Corp
Federal Highway Admin.
Fish & Wildlife Service
Forest Service
General Service Agency
National Park Service
USDA Rural Develop.
Veterans Administration

Municipalities
City & Borough of Haines
City & Borough of Juneau
City & Borough of Sitka
City of Akutan
City of Coffman Cove
City of Craig
City of Hoonah
City of Ketchikan
City of Klawock

Lending Institutions
Alaska Growth Capital
Alaska Pacific Bank
Alaska Ind. Dev. Auth.
ALPS FCU
First Bank
First National Bank AK
Key Bank
Met Life Capital Corp.
National Bank of AK
Rainier National Bank
SeaFirst Bank
True North Credit Union
Wells Fargo
Wells Fargo RETECHS

Other Organizations
BIHA
Central Council for Tlingit & Haida Indian Tribes of Alaska (CCTHITA)
Diocese of Juneau
Elks Lodge
Hoonah Indian Assoc.
LDS Church
Moose Lodge

ANCSA Corporations
Cape Fox, Inc.
Doyon Corporation
Eyak Corporation
Goldbelt
Haida Corporation
Huna Totem
Kake Tribal Corporation
Klawock-Heenya Corp.
Klukwan, Inc.
Kootznoowoo, Inc.
Sealaska Corporation
Shaan Seet, Inc.
Shee Atika Corporation
TDX Corporation
The Tatitlek Corporation
Yak-Tat Kwan

State of Alaska Agencies
Alaska State Building Authority (formerly ASHA)
Attorney General
Dept. of Fish & Game
Dept. of Natural Service, Div. of Lands

Companies
AK Electric Light & Power
AK Lumber & Pulp Co.
AK Power & Telephone
Allen Marine
Arrowhead Transfer
AT&T Alascom
Coeur Alaska
Delta Western
Gulf Oil of Canada
Hames Corporation
HDR Alaska, Inc.
Holland America
Home Depot
Kennecott Greens Creek
Kennedy & Associates
Madsen Construction, Inc.
Service Transfer
Standard Oil of CA
The Conservation Fund
Union Oil
Ward Cove Packing
White Pass & Yukon RR
Yutana Barge Lines

City of Pelican	SE AK Land Trust (SEAL)	Dept. of Public Safety
City of Petersburg	SEARHC	DOT&PF
City of Thorne Bay	Sitka Tribe of Alaska	Mental Health Land Trust
City of Wrangell	The Nature Conservancy	Superior Court
Ketchikan Gateway Borg.		University of Alaska
Municipality of Skagway		

Education

Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), Rockville, MD Sept 2017, Oct 2010, May 2002
Valuation of Conservation Easements, Fairfield, CA, Sept 2016
Business Practices and Ethics, Seattle, WA, Jan 2016
7-Hour National USPAP Update Course, Jan 2016, Jan 2015, Apr 2013, May 2009, Jun 2007, Feb 2005
Online Small Hotel/Motel Valuation, Chicago, IL June 2015
Advanced Spreadsheet Modeling for Valuation Applications, Rockville, MD April 2015
Fall Real Estate Conference 2012, Seattle, WA Nov, 2012
Appraising the Appraisal: Appraisal Review-General, Rockville, MD, May 2012
Information Security Awareness for Appraisal Professionals Webinar, December, 2012
Fall Real Estate Conference 2011 Seattle, WA October, 2011
Appraisal Curriculum Overview (2-day General) Milwaukee, WI, August 2011
Business Practices and Ethics, Seattle, WA, Apr 2010
Fall Real Estate Conference, Seattle, WA, Dec 2009
Fall Real Estate Conference, Seattle, WA, Nov 2008
Attacking and Defending an Appraisal in Litigation, Kent, WA, Sep 2008
Sustainable Mixed-Use N.I.M., Seattle, WA, Feb 2008
Appraising 2-4 Unit Properties, Bellevue, WA, Sep 2007
Business Practices and Ethics, Seattle, WA, Jun 2007
Residential Market Analysis and Highest and Best Use, Seattle, WA, Apr 2007
Basic Appraisal Procedures, Seattle, WA, Feb 2007
Rates & Ratios: Making Sense of GIMs, OARs, and DCF, Anchorage, AK, Feb 2005
Best Practices for Residential Appraisal Report Writing, Juneau, AK, Apr 2005
Scope of Work - Expanding Your Range of Services, Anchorage, AK May 2003
Litigation Appraising - Specialized Topics and Applications, Dublin, CA, Oct 2002
USPAP, Part A, Burr Ridge, IL, Jun 2001
Partial Interest Valuation - Undivided, Anchorage, AK, May 2001
Partial Interest Valuation - Divided, Anchorage, AK, May 2001
Easement Valuation, San Diego, CA, Dec 1997
USPAP, Seattle, WA, Apr 1997
The Appraiser as Expert Witness, Anchorage, AK, May 1995
Appraisal Practices for Litigation, Anchorage, AK, May 1995
Forestry Appraisal Practices, Atterbury Consultants, Beaverton, OR, Apr 1995
Advanced Sales Comparison & Cost Approaches, Univ. of Colorado, Boulder, CO, Jun 1993
Computer Assisted Investment Analysis, University of Maryland, MD, Jul 1991
USPAP, Anchorage, AK, Apr 1991
General State Certification Review Seminar, Anchorage, AK, Apr 1991
State Certification Review Seminar, Dean Potter, Anchorage, AK, Apr 1991
Highest and Best Use and Market Analysis, Baltimore, MA, Mar 1991
Financial Institution Reform, Recovery & Enforcement Act of 1989, Doreen Fair Westfall, Appraisal Analyst, OTS, Juneau, AK, Jul 1990
Real Estate Appraisal Reform, Gregory Hoefer, MAI, OTS, Juneau, AK, Jul 1990
Standards of Professional Practice, Anchorage, AK, Oct 1987
Federal Home Loan Bank Board Memorandum R41C Seminar, Catherine Gearhearth, MAI, FHLBB District Appraiser, Juneau, AK, Mar 1987
Market Analysis, Boulder, CO , Jun 1986
Federal Home Loan Bank Board Regulation 41b, Inst. Bob Foreman, MAI, Seattle, WA, Sep 1985
Litigation Valuation, Chapel Hill, North CA, Aug 1984
Standards of Professional Practices, Bloomington, IN, Jan 1982
Course 2B, Valuation Analysis & Report Writing, Stanford, CA, Aug 1980
Course 6, Introduction to Real Estate Investment Analysis, Aug 1980
Course 1B, Capitalization Techniques, San Francisco, CA, Aug 1976
Course 2A, Case Studies in Real Estate Valuation, Aug 1976
Course 1A, Real Estate Principles and Valuation, San Francisco, CA, Aug 1974

QUALIFICATIONS OF SLATER M. FERGUSON

Education:

Graduated from Sitka High School, Sitka, Alaska
Graduated with a BS in Geography from Western Oregon University, Monmouth, OR

Employment:

November 2018 to Present – Certified General Real Estate Appraiser – Horan & Company, LLC
June 2014 to November 2018 - Real Estate Appraiser Trainee - Horan & Company, LLC

- Further in depth assistance of Commercial/Residential Appraisal Development and Market Data Research
- Leadership role in the 2015 Mass Appraisal/Revaluation for the City of Craig, AK

Oct 2012 to June 2014 – Office admin/Appraiser Assistant – Horan & Company, LLC
Summers, 2009 to 2012 – Maintenance & Trail Crew, U.S. Forest Service, Sitka, Alaska

Certification & Approvals:

Certified General Real Estate Appraiser, State of Alaska License #133619

Appraisal Education:

Appraisal Principles; Appraisal Institute, Online Course, October 2013
15-Hour USPAP, Tigard, OR, November 2013
Appraisal Procedures, Appraisal Institute, Online Course, April 2014
General Appraiser Sales Comparison Approach, Chicago, IL, October 2014
Real Estate Finance Statistics and Valuation Modeling, Las Vegas, NV, February 2015
General Appraiser Site Valuation & Cost Approach, Chicago, IL, October 2015
General Appraiser Income Approach/Part 1, Houston, TX, September 2016
General Appraiser Income Approach/Part 2, Houston, TX, September 2016
2016-2017 7-Hour Equivalent USPAP Update Course, Online, June 2017
Residential Sales Comparison and Income Approaches, Louisville, KY, October 2017
General Appraiser Report Writing and Case Studies, Woburn, MA, November 2017
General Appraiser Market Analysis with Highest and Best Use, Aurora, CO, August 2018

Types of Property Assessed for Taxation:

City of Craig real property assessment roll; single-family, multi-family and mobile homes.
City of Skagway real property assessment roll, single-family, multi-family and mobile homes.

Types of Property Appraised:

Residential – Assistance in Single Family, Multi-Family, Vacant Lands and Mobile Homes.
Commercial – Assistance in Warehouses, Office Buildings, and vacant lands.

Rev. 11/2018

G0402 Incident Command System (ICS) Overview for the CBJ Mayor and Assembly Members

The purpose of this document is to provide a general orientation to the Incident Command System (ICS) for the CBJ Mayor and Assembly Members in order to gain a better understanding of roles and responsibilities in preparedness and response to local emergencies.

The ICS structure is used to prepare for, and respond to, emergencies at all levels of complexity, The system is scalable and can easily be adapted to respond to any level of emergency from a house fire to a urban mass wasting avalanche, to a significant terrorist threat. The ICS structure is put in place by federal directives to provide a common structure, language, and process for all government and non-governmental agencies to align their preparedness and response efforts. (See Appendix A for more information on Homeland Security Presidential Directives)

CBJ staff train in the ICS process internally and externally with other community based governmental and non-governmental agencies to assure the best possible response to a community disaster.

Local Response Roles: Key Players

In order to build an effective local Emergency Management program and team, it is important to learn the duties and responsibilities for each role within the community.

Assembly Members

<u>The role of Assembly members is to</u> provide policy level guidance to the City Manager and to view code and law changes necessary to support the disaster recovery process.

City Manager

<u>The role of the City Manager is to ensure</u> the public safety and welfare of the people within the City and Borough of Juneau.

<u>Examples of responsibilities:</u>

1. Lead and encourage local leaders to focus on preparedness by participating in planning, training, and exercises.
2. Support participation in local mitigation efforts within the Borough including, as appropriate, the private sector.
3. Understand and implement laws and regulations that support emergency management and response.
4. Ensure that local emergency plans take into account the needs of:
   A. The Borough, including persons, property, and structures.
   B. Individuals with special needs, including those with service animals.
   C. Individuals with household pets.
5. Encourage residents to participate in volunteer organizations and training courses.
6. When an incident occurs, respond according to the Emergency Operations Plan.

Emergency Manager

The Emergency Programs Manager has the day-to-day authority and responsibility for overseeing emergency management programs and activities.

Responsibilities:
1. Coordinate the emergency planning process and develop an Emergency Operations Plan (EOP).
2. Involve the private sector and nongovernmental organizations in planning, training, and exercises.
3. Develop mutual aid and assistance agreements.
4. Develop and execute public awareness and education programs.
5. Conduct exercises and work cooperatively with other local agencies, private-sector, and nongovernmental organizations to test plans and systems and incorporate lessons learned into the Borough's emergency plan.
6. Coordinate damage assessments during an incident.
7. Advise and inform local officials about emergency management activities during an incident.

Department and Agency Heads

Department and agency heads collaborate with the emergency manager during development of local emergency plans and provide key response resources.

Responsibilities:
1. Participate in the planning process to build specific capabilities, e.g., firefighting, law enforcement, emergency medical services, public works, environmental and natural resources agencies.
2. Integrate capabilities into a workable plan to safeguard the community.
3. Develop internal policies and procedures to meet response and recovery needs safely.
4. Train personnel and participating in interagency training and exercises.
5. When an incident occurs, respond according to emergency plans.

Local Governing Bodies

Where both city and tribal entities exist in a community, by statutes, the State must work with city governments as the representative from the community. Exception: City turns over their responsibilities to tribal government in writing, for example Koyukuk.

Emergency Operations Plan (EOP)

All incidents begin and end at the local level, so local jurisdictions should have a plan in place that will provide an organized and coordinated response which will reduce community and government vulnerability to known natural, technological, and man-made hazards. It is intended to foster cooperative planning at all levels of government and the private sector, so there can be a uniform and rational approach for coordinating multi-agency and multi-jurisdictional actions before, during, and after a threat to the public welfare.

CBJ has completed and adopted an Emergency Operations Plan. Our plan calls for the following actions:

- Begin training local personnel in conjunction with supporting agencies to activate and operate shelter(s), pet shelter(s), health/mental health clinic(s), food/supply distribution center(s), continuity of operations site(s), and other sites as needed

- When an incident happens, many agencies may provide support to a local jurisdiction during an incident. For example, Red Cross may assist with activating shelter(s), Gastineau Humane Society in Juneau may assist with pet shelter(s), etc.
- Conduct exercises and produce after-action reports to test the local EOP, which will help clarify roles and responsibilities, develop individual performance, identify opportunities for improvement, improve interagency coordination, and identify resource gaps.

Incident Command Structure

The Incident Command System (ICS) is a standardized incident management concept that is designed to expand and contract to match the demands and complexities of single or multiple incidents without being hindered by jurisdictional boundaries. CBJ and other local agencies have adopted the ICS to ensure the safety of responders and others, achievement of tactical objectives, and efficient use of resources.

ICS positions (also known as an Incident Management Team (IMT):

- The **Incident Commander (IC)** is responsible for establishing incident objectives and manages the Command Staff. In large events in Juneau this falls to the City Manager or designee.
- The **Operations Section Chief (OSC)** is responsible for managing all tactical operations at an incident and manages the Operations Section. The Incident Action Plan provides the necessary guidance for Operations and is driven by the number of tactical resources involved, which influences span of control. In Juneau this falls to Police, Fire, and Public Works often for recovery.
- The **Planning Section Chief (PSC)** manages the Planning Section and is responsible for collecting situational information, managing resources, and developing the Incident Action Plan (IAP). In Juneau this person comes from the Community Development Department as most of a major incident such as an earthquake lies in recovery and the Community Development Department has a complete understanding of the Community Plans in Place.
- The **Logistics Section Chief (LSC)** meets resource needs and manages the Logistics Section. In Juneau this is Parks and Rec to include Building Maintenance for facilities support.
- The **Finance/Administration Section Chief (FSC)** is responsible for managing all financial aspects of an incident and manages the Finance/Admin Section. In Juneau, this is the Finance Director and relevant staff.

Multiple Layers of ICS during an Incident/Event:

There can be multiple layers of the ICS positions during a disaster, including the tactical level AND the local, state, and federal Emergency Operations Center (EOC) level.

- The tactical team(s) "boots on the ground" is/are responsible for responding to the incident. Multiple teams may respond, for example law enforcement, fire, hazardous spill response, etc.
- The local EOC is responsible for providing planning, operations, logistical, and finance/admin support and resources to the tactical team.
- If a local jurisdiction becomes overwhelmed and can no longer provide the needed support and resources to their tactical team(s), they may call the State Emergency Operations Center (SEOC) for assistance. In some instances, the local disaster may be elevated to a **state-declared disaster**.
- If the SEOC becomes overwhelmed and can no longer provide the needed support and resources to the local jurisdiction(s), they may request assistance from the federal government through the Federal Emergency Management Agency (FEMA). In some instances, the local disaster may be elevated to a **federally-declared disaster**.

State- or Federally-Declared Disasters

When a disaster overwhelms a local jurisdiction, the local jurisdiction in conjunction with the State Emergency Operations Center (SEOC) must conduct a joint local/state initial damage assessment for inclusion into a Fact Sheet. The Governor's Disaster Policy Cabinet (DPC) will review the Fact Sheet and provide a recommendation to the Governor to enact a State or Federal Declaration of Disaster Emergency. The declaration will identify which Disaster Recovery Programs the local jurisdiction(s) will be eligible to receive. **Reference:** Alaska Statute 26.23.140, local disaster emergency.

Disaster Recovery Programs

Once a state- or federally-declared disaster has been approved for a local jurisdiction(s), any or all of the following Disaster Recovery Programs may be implemented:

The **Individual Assistance Program** provides grants and services to assist individuals and families in the declared disaster area with serious losses not covered by their insurance or other means.

The **Temporary Housing Program** provides temporary housing assistance to individuals or families whose housing is not habitable after a declared disaster, when other assistance is unavailable or inadequate.

Public Assistance provides grants for debris removal, emergency protective measures, and the repair, replacement, or restoration of publicly owned facilities and other facilities owned and operated by certain Private Nonprofit (PNP) organizations.

Mitigation, Section 406, provides discretionary authority to fund mitigation measures in conjunction with the repair of disaster-damaged facilities.

Appendix A

Homeland Security Presidential Directives (HSPD) HSPD-5 and HSPD-8 Mandates

Complex 21st century threats demand that all Americans share responsibility for homeland security. All levels of government, the private sector, and non-governmental agencies must be prepared to prevent, protect against, respond to, and recover from a wide spectrum of major events that exceed the capabilities of any single entity. These hazards require a unified and coordinated national approach to planning and to domestic incident management.

To address this need, Homeland Security Presidential Directive 5: Management of Domestic Incidents (HSPD-5) and Homeland Security Presidential Directive 8: National Preparedness (HSPD-8) **establish national initiatives that develop a common approach to preparedness and response**.

The National Response Framework (NRF) and National Incident Management System (NIMS) provide the process and structures for meeting these mandates. Together, these related efforts align Federal, State, local, tribal, private sector, and nongovernmental preparedness, incident management, and emergency response plans into an effective and efficient national structure.

Adopting NIMS

NIMS defines what needs to be done to **prepare for, prevent, protect against, respond to, and recover from a major event**, how it needs to be done, and how well it needs to be done. It provides a systematic approach for all levels of government, the private sector, and nongovernmental organizations to work seamlessly together and it applies to all incidents regardless of cause, size, location, or complexity. NIMS integrates existing best practices into a consistent, nationwide approach to domestic incident management and is applicable at all jurisdictional levels and across functional disciplines in an all-hazards context.

Disaster Preparedness

Tom Mattice- CBJ Emergency Programs Manager

Disasters Common In Juneau

All-Hazards Mitigation Plan

http://www.juneau.org/emergency/documents/All-Hazards%20Mitigation%20Plan.pdf

- Avalanche
- Landslides
- Downtown Fire
- Earthquakes
- Severe Weather
- Bridge Collapse
- Floods
- Wildland Fire
- Tsunamis
- Airport Disasters
- Cruise Ships

Juneau Emergency Operations

http://www.juneau.org/emergency/documents/EOP2003.pdf

- EOP and Annex’s
- Hospital
- Airport
- Schools
- Cruise Ships
- Salmon Creek Dam/ AEL&P
- Mass Care (Casualty/Sheltering/ Fatality)
- All Hazards Planning

Disaster Response

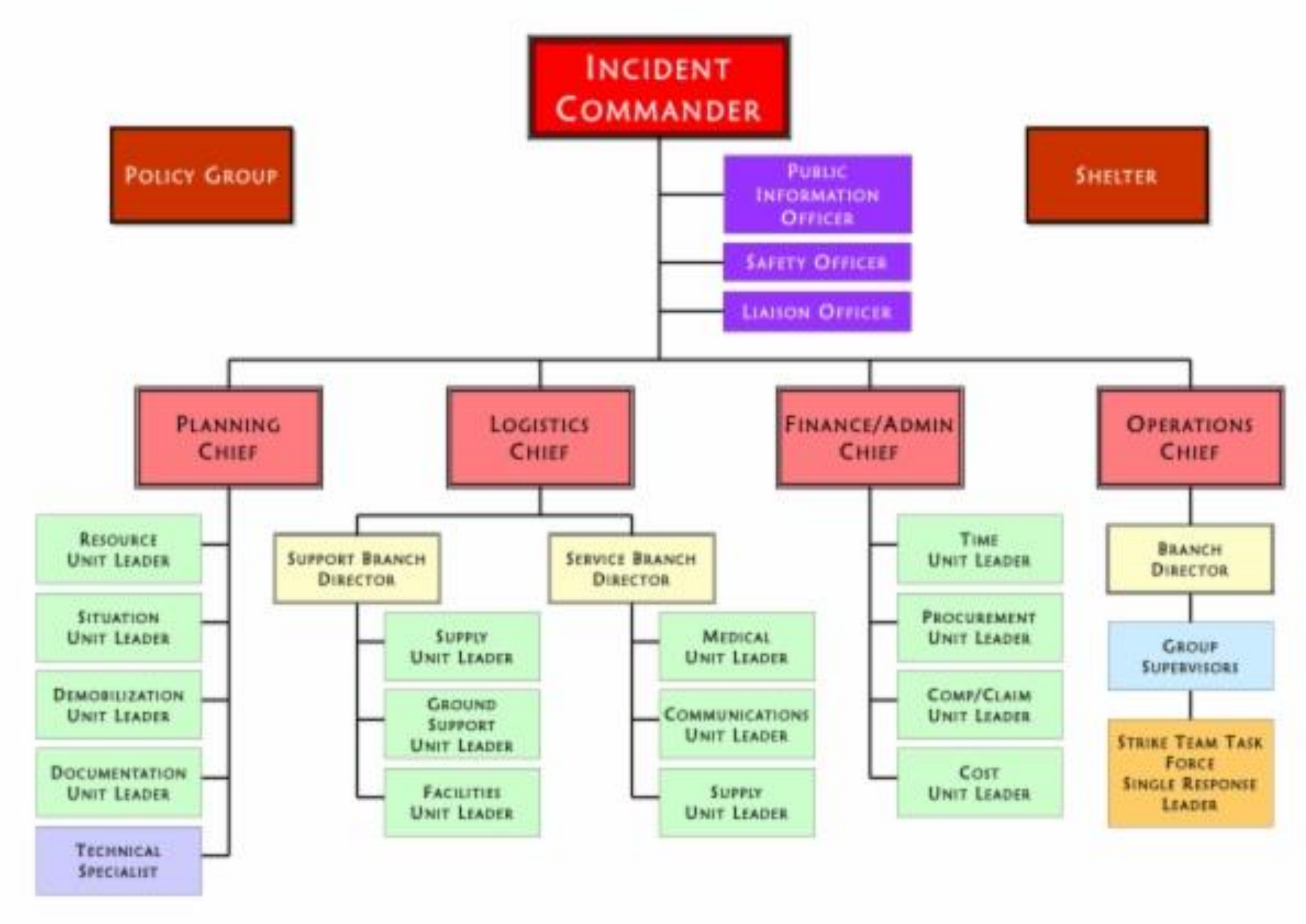
- Alert and Notification
- Police and Fire IC
- Additional Support Needs?
- Stand Up Emergency Operations Center (EOC)

- WHO's IN CHARGE?

EOC

WHO's IN CHARGE?

- **Assembly Members-** The role of Assembly members is to provide policy level guidance to the City Manager and to view code and law changes necessary to support the disaster recovery process.
- **City Manager-** The role of the City Manager is to ensure the public safety and welfare of the people within the City and Borough of Juneau.



Incident Commander
Policy Group
Shelter
Public Information Officer
Safety Officer
Liaison Officer
Planning Chief
Logistics Chief
Finance/Admin Chief
Operations Chief
Resource Unit Leader
Situation Unit Leader
Demobilization Unit Leader
Documentation Unit Leader
Technical Specialist
Support Branch Director
Service Branch Director
Supply Unit Leader
Ground Support Unit Leader
Facilities Unit Leader
Medical Unit Leader
Communications Unit Leader
Supply Unit Leader
Time Unit Leader
Procurement Unit Leader
Comp/Claim Unit Leader
Cost Unit Leader
Branch Director
Group Supervisors
Strike Team Task Force Single Response Leader

Working with Non-Profits, Local, State, and Federal Partners to Maintain the Best Response Ability in Alaska

Southeast Alaska Medical Response Systems

Emergency Go Bags

Where

- Home
- Car
- Friends House

When

- House Fire
- Community Separated
- Major Event

NOAA WEATHER RADIO

- No Power Needed
- Auto Triggered in Sleep
- Pick Notifications List
- Grab and Go!

READY.ALASKA.GOV

Tom Mattice
Tom_Mattice@ci.juneau.ak.us
(907) 209-9207

Assembly Goals 2019

Assembly Goals set at
December 1, 2018 retreat

1. Housing - Assure adequate and affordable housing for all CBJ residents

		AA*	Implementing Actions	Responsibility	Notes:
5	New	P/F	Prioritize Housing Action Plan strategies	Assembly, Manager's Office	
5	New	P/F	Improve downtown housing (examples: Gastineau properties, incentives)	Assembly, Manager's Office, Finance	
5	D	F/O	Update the Comprehensive Plan	Assembly, CDD, Planning Commission, Manager's Office	Staff is currently developing a scope of work for the project.
4	B	O	Area Plans: Complete Downtown Area plan, followed by Douglas and Valley area plans.	CDD, Planning Commission, Manager, Assembly	Downtown Blueprint project has kicked off. Tentative completion date is Winter 2020. Remaining plans are placeholders and may be adjusted.
3	New	P	Examine status of Affordable Housing Commission.	Assembly, Manager's Office, Affordable Housing Commission	
3	New		Identify next CBJ owned area for residential development/disposal.	Assembly, Manager's Office, Lands	

2. Economic Development - Assure Juneau has a vibrant, diverse local economy

		AA*	Implementing Actions	Responsibility	Notes:
6	C	F	Evaluate next steps & benefits with the West Douglas road and Channel Crossing	Engineering	Old implementing action reframed
5	New		Develop goals for tourism marketing & independent travelers	JEDC, JAHC, TJ	
5	F	P/F	Complete work of Childcare Committee and act on the recommendations	Assembly	Old implementing action reframed
4	A	O	Develop a Downtown Transportation Plan to include parking strategies, parking structures, park & ride, circulators, etc.	Manager, Lands, Engineering/Public Works	Old implementing action reframed
4	New		Explore CBJ participation in building the new JACC		
3	B	P/F/O	Prioritize items to implement the Juneau Economic Development Plan	Assembly, Manager's Office	Old implementing action reframed
3	G	F/O	Revitalize Downtown based on Blueprint	CDD, Engineering/Public Works, Lands, Planning Commission, Manager's Office, Law, Assembly	Assembly felt this implementing action was duplicative of other work underway.
3	J	S	Secure the $22 million of diverted Juneau Access funds for transportation infrastructure projects for the community.	Assembly, Manager's Office	

*Assembly Action to Move Forward: P = Policy Development, F = Funding , S = Support, O = Operational Issue

Assembly Goals 2019

Assembly Goals set at
December 1, 2018 retreat

3. Sustainable Budget and Organization - Assure CBJ is able to deliver services in a cost efficient and effective manner that meets the needs of the community

		AA*	Implementing Actions	Responsibility	*Notes:*
6	F	F/O	Work on business case for consolidated City Hall	Manager's Office, Engineering & Public Works	Report to COW when ready
5	B	F/O	Maintain Assembly focus on deferred maintenance.	Manager's Office, Engineering/Public Works, Parks and Recreation, Airport, Docks and Harbors, Eaglecrest. BRH, JSD	Old implementing action reframed. Report to COW
4	New	P/F	Protect Budget reserves	Assembly, Manager's Office, Finance	
3	C	F/O	Upgrade CBJ Technology- online payments, website updates	Manager's Office, MIS, Library, JPD	Request to report out to COW where we are at.
3	New	P	Look at Sales Tax structure (internet sales tax, no sales tax on food, etc.)	Assembly, Manager's Office, Finance	

4. Community Wellness/Public Safety - Juneau has a local environment that is safe and welcoming for all citizens

		AA*	Implementing Actions	Responsibility	*Notes:*
6	B	F/O	Partner with non-profits and other government agencies to address the use of opioids and meth in our community. Focus on what BRH's role should be.	Assembly, Manager's Office, BRH, Community partners	Old implementing action reframed
5	A	F	Partner with non-profits and other government agencies to support efforts to address community members who are unsheltered and other vulnerable populations (substance abuse, mental health, etc.)	Assembly, Manager's Office, BRH, Community partners	Old implementing action reframed
5	C	P/F/O	Develop strategies to reduce and deal with the impacts of crime in the community.	Assembly, Manager's Office, Law, JPD, Community Partners	Old implementing action reframed
5		F	Focus on first responder recruitment and retention strategies.	Manager's Office, JPD, CCFR, HRRM	Moved from Sustainable organization
3	New		Look into sidewalk accessibility, particularly as it relates to snow, ice and litter. Explore compliance and enforcement issues.	Manager's Office, CDD, Engineering/PW, JPD	
3	new		Review public safety taskforce recommendations	Assembly, Manager's Office, JPD	

5. Sustainable Community - Juneau will maintain a resilient social, economic, and environmental habitat for existing population and future generations.

		AA*	Implementing Actions	Responsibility	*Notes:*
5	New	P/F/O	Develop and implement a CBJ energy management program.	Assembly, Manager's Office, all departments	Included in JRES
4	New	P/F	Follow & Implement Juneau Renewable Energy Strategy	Assembly, Manager's Office	
4	New	P/F	Investigate what it would take to plug in cruise ships.	Assembly, Manager's Office, Docks and Harbors	Included in JRES
3	New	P/F	Develop steps to shift public and private transportation toward renewable energy sources.	Assembly, Manager's Office, Community Partners	Included in JRES
3	New	P/F/O	Develop and implement/update a climate change impact and mitigation plan	Assembly, Manager's Office	
3	New	P/F/O	Develop solid waste strategy including plans to increase recycling.	Assembly, Manager's Office, Engineering/PW	Old implementing action reframed

*Assembly Action to Move Forward: P = Policy Development, F = Funding , S = Support, O = Operational Issue