

**ASSEMBLY STANDING COMMITTEE MINUTES
LANDS HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

September 27 2021, 5:00 P.M. – Rescheduled from September 20, 2021
Zoom Webinar Meeting

I. CALL TO ORDER

II. ROLL CALL

Chair Gladziszewski called the meeting to order at 5:00pm.

Members Present: Chair Maria Gladziszewski, Alicia Hughes-Skandijs, Greg Smith, Wade Bryson (note, Mr. Bryson experienced technical difficulties and was not able to participate in some of the meeting)

Members Absent:

Liaisons Present: Chris Mertl, Parks and Recreation; Lacey Derr, Docks and Harbors

Liaisons Absent: Dan Hickok Planning Commission

Other Assembly Members Present: Christine Woll

Some Members of the Public Present: Dave McCasland, Dave Bicknell, Liz Perry

Staff Present: Dan Bleidorn, Lands Manager; Jill Maclean, CDD Director; Scott Ciambor, Chief Housing Officer; Irene Gallion, Senior Planner

III. APPROVAL OF AGENDA

Agenda was approved as presented.

IV. APPROVAL OF MINUTES

September 7, 2021 Draft Minutes were approved with minor change that the year listed on the agenda packet should be 2021, not 2020.

V. PUBLIC PARTICIPATION

No public participation.

VI. AGENDA TOPICS

A. Franklin Foods Request to Purchase City Property at 139 S. Franklin St.

Dan Bleidorn brought this topic back after review at the September 1, 2021 PRAC meeting. Mr. Smith is supportive of this idea and asked if there have been other parties interested in this area looking to develop housing on the site. Chair Gladziszewski commented that she was interested in the housing aspect of Mr. McCasland's proposal. Mr. McCasland commented that he has been approved by his bank and has an appraiser, Kim Wold, lined up. He is in the process of closing the deal with the Barrett's, the Gastineau Apartments owners. His plan is to build a tiered foundation wall and going up three levels, about 7,000 square feet wide. The foundational support is for the whole hillside to build housing on the fourth lot of the Gastineau Apartments, which connects to Gastineau Ave. The plan is to build a multi-level food truck park with three levels for a better view and sun exposure and to support the hillside on the fourth level for housing development.

Mr. Mertl commented that he thought it was not a good idea to sell parkland. The disposal of City parkland is not necessarily in the public's best interest and even though the PRAC supports Mr. McCasland's development because there is existing Parks facilities within the downtown core, there are concerns of precedence that this is going to set. It did pass in the PRAC, 6 – 2, with Mr. Mertl one of the no votes. Speaking for the PRAC, Mr. Mertl commented that they would like to see the Assembly move forward and develop some sort of mechanism to be allocated for purchasing or making park improvements in areas of greater need, instead of the proceeds from the sale of parkland going into the general fund. An example would be the shortfall of parkland in Lemon Creek. Overall, the PRAC does support this proposal due to the amount of existing parkland downtown but are looking at the Assembly

for adjustments because we are seeing many requests for disposal of parkland and we are struggling with that. Trades are what have been done in the past. Chair Gladziszewski does not support disposing parkland without the connection to possible housing.

Mr. Smith asked if the buyer will figure out the market value or if that is already known. Mr. Bleidorn replied that the applicant is working on an appraisal and we should have that in a few weeks.

Chair Gladziszewski commented that whoever makes a motion should add that this request should be contingent on the purchase of the Gastineau Apartments parcel. I would like to keep this together if this falls through I wouldn't want to dispose of parkland without it being connected to the other property because then that other property would never get developed.

Mr. Smith moved that Staff request that the Lands, Housing, and Economic Development Committee forward this application for the purchase of the lot at 139 S. Franklin Street to the Assembly with a motion of support for working with the original proposer, with a contingency of the sale of this land would be dependent on a successful purchase of the adjoining property for an apartment property. Motion Passed.

B. Ordinance 2021-38 An Ordinance Amending the Official Zoning Map of the City and Borough to Change the Zoning of Honsinger Pond Lots 3, 4, 5, 6, 7, 8, 9, 10, and 11: Located Near 7900Honsinger Drive

Ms. Maclean discussed this topic. The developer of the Honsinger Pond Subdivision requested to rezone nine lots (2, 3, 4, 5, 6, 10, 11, 12 and 13) from Industrial to General Commercial. The Planning Commission, on August 10, 2021, found the proposal was for more than two acres, expanded an existing zoning district, and substantially conformed to the Resource Development designation of the Comprehensive Plan maps. However, the Planning Commission recommended the Assembly rezone different lots (2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13) because of the noise from the airport, visibility from Egan, and align with nearby existing land uses. Chair Gladziszewski commented that the developer asked for "X" and the Planning Commission made a different proposal, picking a few different parcels.

Mr. Smith commented that he thought the reason from the Planning Commission was for airport noise and asked about exclusion of lot 2 in the rezone, the reason behind it, and if we should be concerned about that lot based on a study for something like 15-years. Ms. Maclean replied that the applicant was requesting nine lots change from industrial to general commercial. When staff conducted their analysis we looked at all of the different types of users that can occur under both zoning districts and also with a greater focus on the airport, which is a neighboring property, and to work with FAA guidelines and their recommendations. The staff report listed noise and wildlife attractant being of concern. Noise decibel levels were looked at and thought those issues could be addressed in the future when a conditional use permit came forth. The Planning Commission felt differently after their review, hearing, and discussion with the applicant. They opted to change it and strike lot 2 with the feeling it was better to shift the rezone area. They gave the applicant the same amount of acreage that was being rezoned but shifted it so there would not be any potential for a housing development close to the airport. It put more weight on future housing versus what the applicant saw that was happening on a particular lot.

Mr. Smith asked if at some point the applicant wanted to build out with the lots, could sound be mitigated through design. If that worked but they did not work to go general commercial and not want to build residential, do we have safeguards in place in the permitting process so that in 15 years or

whatever, they would not build residential if the noise is too much. Chair Gladziszewski commented that there is an airport there. Ms. Maclean commented that the conditional use permit process would give the Commission the authority to make certain recommendations. If it were rezoned general commercial and a housing development were proposed, which I think is unlikely in that location, but could happen, the Commission has the authority to put in place certain constraints or restrictions on how the building is constructed. Soundproofing or something of that nature would be required. To the other extreme, the Commission has the authority to deny a conditional use permit if they feel that the use is not compatible or a detriment to public health, safety or welfare, they have the option to completely deny or condition it in a manner that could address those concerns. I do not think the applicant at this time has any anticipation of building housing there. I would note that we do have housing right across from the airport across from Egan, next to the mercantile armory building, along with the Glory Hall, and a few of the other establishments, which may be a little further away. The question being, does the Commission have authority to issue conditions, and I would say yes, they do or to simply deny it out right.

Chair Gladziszewski asked that if housing is allowed by right in general commercial or do it require a permit. Ms. Maclean replied that for general commercial if the lot is greater than 10,000 square feet or if it is more than 12 units or 12 bedrooms, those all go to the Planning Commission. Anything under 10,000 square feet for the lot itself and 12 bedrooms or less would be director approval and still have the ability to be conditional use or denied if it didn't need public health safety or welfare, those options would still be there. Chair Gladziszewski replied that there are no category ones in the table of permissible uses for housing and then it requires director approval. Ms. Maclean replied that one would be director approval and three Commission approval in the table of permissible uses. Chair Gladziszewski asked if one is allowed by right, you do not need anything. Ms. Maclean replied that prior to 2010, there used to be a two, and the two was those that are allowed by right. I believe the only two that still exist in the TPU is mining, like Kensington or Greens Creek, that level of mining and only parts of it. The one is the director approval and the three is the conditional approval, adding that each of these lots are over an acre or almost an acre in size, so on unless they were subdivided further right now, they would all require a conditional use permit.

Mr. Mertl asked what is the allowable housing in general commercial and a big picture concern is that there is a need for housing but wedging housing in general commercial between two industrial sites, Egan and the Airport, is not a great housing experience, and I think that we just want to be careful with that. We are setting up quality housing in the right location and I have some transportation and egress concerns as well coming off that area. Chair Gladziszewski replied that she agrees with Mr. Mertl and what the Planning Commission did.

Ms. Hughes-Skandijs made a motion for the Lands, Housing, and Economic Development Committee forward a motion of support to rezone lots labeled by recommendation by the Planning Commission, along Honsinger Drive, from Industrial to General Commercial. Motion passed.

C. Travel Juneau Update

Liz Perry from Travel Juneau provided additional information gathered after the September 7, 2021 LHED meeting. Mr. Smith appreciated the information on different independent travelers and wanted to know more about the nonprofit board. Chair Gladziszewski commented that Ms. Perry had offered to write new contracts and draft language, which this committee has not yet forwarded on for a recommended. Regardless of the path of new contract with Travel Juneau or as the ordinance suggests,

a new contract to go out for bid, we still need a scope of work, expectations of this organization, and with examples from different DMOs to pick from in it would be good to get something drafted.

Ms. Hughes-Skandijs appreciated giving this topic the time it deserves. She agrees with Mr. Smith that the Assembly should be interested in the appointment process to show public trust and accountability, since it makes it similar to other factions of City organizations that work in concert with the City that are receiving various kinds of what is ultimately public money. I think you just really summarize whether we were going to go out for bid, or just get a more detailed scope of work that would be contracts, and our next step would be a scope of work. I would be willing to work with Ms. Perry to create a scope of work, bring something back to the committee on a smaller scale, and then see if we come up with something that the committee decides on. Chair Gladziszewski thought that was a great idea for a smaller group to draft something so that we are not grouping at a committee meeting. Anyone else is interested in working with Ms. Hughes-Skandijs let her know. Chair Gladziszewski asked Ms. Perry if they come up with a draft for the next meeting, or for whenever you get it done that would be great. There are many materials to work with, there is probably plenty of language to steal that is good.

Mr. Bryson commented that his zoom connection was coming in and out and missed parts of the meeting and asked if he could be caught up to Ms. Hughes-Skandijs idea. Chair Gladziszewski replied that the idea was to have Ms. Perry draft a new MOA, and if anyone would like help. The draft language could come from other DMO memos and would come up with a more detailed scope of work that could be used either for going out to bid or as the contract with Travel Juneau. Basically, to write a draft, what does the City want, and there is probably some language from Mr. Jones's draft legislation to include.

Mr. Smith appreciates Ms. Perry for being responsive to the numerous questions through the process and giving us information. Ms. Perry appreciates the opportunity to work with this committee and making sure that the Assembly and City leadership are comfortable with what Travel Juneau does and wants to be as transparent as possible. Ms. Perry looks forward to working with Ms. Hughes-Skandijs and anyone else who wants to help create the scope of work. Chair Gladziszewski commented that we have an action item and we will look forward to a draft at some point.

VII. STANDING COMMITTEE TOPICS

A. Status of Housing Initiatives Updates

Mr. Ciambor provided an update. The Juneau Affordable Housing Fund program guidelines and application have been posted. The due date for those applications is October 29. This past Wednesday there was a public information meeting, with seven attendees with constant inquiries from potential applicants. Chair Gladziszewski asked about the next task. Mr. Ciambor replied that process is to set up a committee review training for the second week of October and wait for the applications to come in on the 29th. Chair Gladziszewski congratulated Mr. Ciambor on his progress.

Mr. Smith asked if Mr. Ciambor had heard if other people are making proposals for housing gaps, such as apartments, prior to Gastineau apartment lot and the pocket park lot, are you aware of any proposals for housing there. Mr. Ciambor replied that overtime he had heard about developers poking around for housing and or hotel, but nothing specific and nothing in the last year or so.

Chair Gladziszewski asked about the upstairs downtown housing, if there are still a lot of housing upstairs that are empty and we had an inventory, but is unsure if the City did anything and if this something we can move the ball on. Where are we on that that aspect of housing and downtown. Mr.

Ciambor replied that for the upstairs downtown program, staff has discussed developing language for the rehabilitation and code compliance upgrade program and I have worked a little through the summer to get some community feedback from developers and local architects who have been working with people trying to develop upstairs units downtown. Mr. Ciambor is working to meld that language together into a model and bring it back to the LHED committee. I had hoped to bring something a bit earlier this summer, but getting the Housing Fund out the door was first priority so the upstairs downtown project was put on the back burner, but it is there and I am starting to compile information.

Mr. Bryson asked if Mr. Ciambor had a number of applications that we received for the housing grant funds to the state. Mr. Ciambor replied that the application guidelines and applications were posted on September 10 there is a two month window until October 29 for folks to call and ask questions and to put the applications together. Mr. Bryson asked if any developers reached out to say there were interested, if there is a sense of desire for this program right now. Mr. Ciambor replied that he has received seven different organizations or projects at the information meeting last week, so that was a good sign there's probably been two or three others that have checked in continuously with the expectation that we will get a good amount of applications across the spectrum. I'm encouraged that there's enough folks that know how these application processes works that we might not hear from them until we see an application come across my desk. I'm hopeful that we'll get a good amount of applications. Another thing to note, when I do talk to people I am promoting and encouraging people to submit applications, no matter where they are in the development timeline. This is another communication tool to get to the LHED Committee and the Assembly that people are actually working on affordable projects. I'm encouraging people to apply to let us know what they're thinking about in the future for future rounds of funding.

Chair Gladziszewski noted that the Mayor's Task Force on the joint Chamber Planning Commission Assembly group is going to have its first meeting this Thursday at noon, which should be organizational.

B. Status of Title 49 Updates

Mr. Bryson asked Ms. Maclean if there was a list of activities that the solution is director's discretion. It seems pertinent to have what the outcomes of all those director's discretion questions are as we move housing forward and as we're doing things with Title 49. He wanted to know the track record is, does it get passed through, or does it gets stopped unless we know what the voting decision factors are, how do we know if we have the right rule in place. Chair Gladziszewski commented that Ms. Maclean is no longer in the zoom meeting and asked to have Ms. Gallion respond. Mr. Bleidorn responded that he believed Ms. Maclean was working to compile this information and the preliminary determination was that the majority of director approvals were going through, and it was timelier than taking them to the Planning Commission but maybe Irene can fill us in more on that. Ms. Gallion commented that she had not been part of those reports and would defer to Director Maclean. Mr. Bryson asked if that information could be provided to the committee.

VIII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

None

IX. ADJOURNMENT

Chair Gladziszewski adjourned the meeting at 5:43 PM. Next meeting will be Monday, November 1, 2021.