ASSEMBLY STANDING COMMITTEE MINUTES
LANDS HOUSING AND ECONOMIC DVELOPMENT COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
July 19, 2021, 5:00 P.M.
Assembly Chambers/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, Wade Bryson, Alicia Hughes-Skandijs, Greg Smith
Members Absent: none
Liaisons Present: Lacey Derr, Docks and Harbors, Dan Hickok Planning Commission
Liaisons Absent: Chris Mertl, Parks and Recreation
Other Assembly Members Present: Loren Jones
Some Members of the Public Present: Dave McCasland, Paul Voelkers
Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Rorie Watt, City Manager; Jill Maclean, CDD Director

III. APPROVAL OF AGENDA

Agenda was approved as presented.

IV. APPROVAL OF MINUTES

June 7, 2021 Draft Minutes were approved as presented.

V. PUBLIC PARTICIPATION

No public participation.

VI. AGENDA TOPICS

A. Norwegian Cruise Line Request to Lease Tidelands

Mr. Bleidorn discussed this request. In June 2021, Lands received an application from Norwegian Cruise Lines (NCL) to lease tidelands. NCL acquired the upland parcel that is adjacent to the requested tideland lease in 2019 from the Alaska Mental Health Trust Land Office. In January 2021, the City Manager provided the Committee of the Whole a memo on the topic for Assembly consideration and discussion. The initial application step is for the Assembly to determine "whether the proposal should be further considered and, if so, whether by direct negotiation with the original proposer or by competition after an invitation for further proposals. Upon direction of the Assembly by motion, the Manager may commence negotiations for the lease, sale, exchange, or other disposal of City and Borough land," (53.09.260). If the Assembly provides a motion of support to work with the original proposer, staff will work with NCL to apply for the correct City permits, outline the public process, and will negotiate terms and conditions of a lease. Staff will provide regular progress reports to the LHED. If the assembly fails to provide a motion to work with the original proposer and determines a lease should not be considered, then the application process will be concluded. If the Assembly provides a motion to seek further proposals then a RFP will be advertised and the results brought forward to the LHED for review. NCL is the adjacent property owner and there is no other uplands access to the City tidelands, seeking other proposals is not recommended.

Mr. Bleidorn noted that the map presented in the packet was an older map and the area is slightly different, a little longer and skinnier than that map. Smith asked if with this new area if NCL will still be the only adjacent property owner and no one else to the uplands access. Mr. Bleidorn confirmed and noted that the written memo is correct with its information.

Mr. Bryson made the motion that Staff request that the Lands, Housing and Economic Development Committee pass a motion of support to the Assembly for working with the original proposer Norwegian Cruise Line in accordance with City Code 53.09.260. Motion passed.

B. Franklin Foods LLC Request to Purchase City Property at 139 S. Franklin St.
Mr. Bleidorn discussed this request. On June 3, 2021, David McCasland of Franklin Foods LLC submitted an application to purchase City property located at 139 S. Franklin St. This property was known as Gunakadeit Park and is roughly 4,000 square feet. Franklin Foods is leasing this lot as part of their food court. McCasland sent the Borough Assembly a letter stating that he is in discussions to purchase the former Gastineau Apartments property located at 127 S Franklin St. This property is the former location of the Gastineau Apartments and is adjacent to the City's property. It is roughly 16,000 square feet and is leased to Franklin Foods for the food court. The 2016 Land Management Plan lists the City lot as managed by Parks and Recreation and the retention status marked as "Retain/Dispose." At the time of the Plan's adoption it was determined that the City property was needed to facilitate the demolition of the burned out Gastineau Apartment building, which was a public nuisance. The 2019 Parks Master Plan listed the property as a Special Use Area.

In 2018, Lands received a similar application to buy this property also from Franklin Foods. The Parks and Recreation Advisory Committee (PRAC) at their October 8, 2018 meeting determined that a temporary lease would be preferred over selling the property and recommended the Assembly retain Gunakadeit Park as a Special Use Area and requested that staff develop options for future development or disposal. During the 2018 Assembly review, Assembly Member Jones noted that if the purchase of the neighboring property did go through that it would be worth approaching the Assembly again to request another proposal to purchase Gunakadeit Park at that time. The Assembly, at the November 5, 2018 meeting, directed the City Manager to negotiate a fair market value lease of Gunakadeit Park. The current lease agreement is for one year with two additional one-year terms remaining. With the new application received, the initial step is for the Assembly to determine whether the proposal should be further considered and, if so, whether by direct negotiation with the original proposer or by competition after an invitation for further proposals. Upon direction of the Assembly by motion, the Manager may commence negotiations for the lease, sale, exchange, or other disposal of this land.

Mr. Smith asked that when we are dealing with an issue about parkland if sending it to the PRAC is standard practice. Chair Gladziszewski confirmed. Mr. Smith commented he wanted to keep this as less bureaucratic as possible.

Mr. Bryson asked if any other members of the public or organizations expressed interest in this property in the past few years prior to Mr. McCasland's lease. Mr. Bleidorn replied that there has been no other inquiries, but there has not been any public outreach or advertising about this property. The applicant submitted a purchase and sale agreement for the Gastineau Apartments lot with the concept of trying to consolidate these lots, which could be a stipulation if we move this forward.

Ms. Hughes-Skandijs **moved that Staff request the Lands, Housing and Economic Development Committee forward this application to the PRAC prior to the Assembly determination in accordance with City Code 53.09.260. (*MOTION PASSED after amendment to motion failed*).**

Mr. Bryson objected to the motion and commented that he is aware that normal practice is to send this to PRAC and as a PRAC liaison; he has watched this come through the first time. The valid reasons that are going to be stated again are that CBJ is concerned about letting go of parkland and we do not want to sell this of property and to develop in this area. I would imagine this is similar to what operated just three years ago, with only a couple of new members. They are going to give us the same explanation and probably decisions, which will be real close to that one way or the other. It is going to come back to the Assembly, then, and then we are going to have to make a decision or we can make these recommendations. We know the facts that are part of this request to purchase CBJ land. The PRAC is an unnecessary step and Mr. McCasland has demonstrated that he is going to do the development that we wanted and it has, I would consider, a private sector park. He has open land that is well received in the community, it has a park like setting, it's outdoors but because private sector needs to make money, they have the food station there. We are maintaining it as a downtown park-like setting attraction. He's doing everything that we've asked as an Assembly and has plans to build housing which we've incentivized by property tax abatement. If we allow Mr. McCasland to do this we're encouraging development downtown, we're adding his property as he develops it to the tax rolls, and he'll be able to generate a great asset in the heart of downtown. This is win, win, win for the City.

Mr. Smith appreciated Mr. Bryson's comments but felt that the PRAC had a broader view of that land and how it should be used and we should give them a chance to look at it.

Ms. Hughes-Skandijs asked Mr. Bleidorn about the flow chart process, if we skip sending it to the PRAC the only other step would be to go directly to the Assembly, so we're just kind of cutting off one bubble. Mr. Bleidorn confirmed and the PRAC would provide a recommendation to the assembly for retaining or disposing of this property. They wouldn't look at the disposal and ask what is going to get built there.

Chair Gladziszewski commented that she is not ready to forward this to the Assembly. LHED has not examined this proposal and she would want it to come back to the LHED for discussion and analysis after it has been considered by the PRAC.

Mr. Smith asked how long the PRAC review process takes. Mr. Bleidorn replied that the PRAC meets once a month and this may not be on the August meeting, probably September. Addressing previous comments, if decided to work with the original proposer, it would come back to the LHED after a proposal is put together and if everything were agreed upon, draft an ordinance, which would go to the Assembly for introduction and public hearing.

Mr. Bryson made an amendment to the motion **that the Lands, Housing and Economic Development Committee forward this application to the full Assembly for a motion of support to work with the original proposal in accordance with City Code 53.09.260. Amendment failed by 2:2. Original motion passed with no objections.**

C. Amending Title 49 Land Use Code/TPU Updates

Ms. Maclean and Mr. Watt discussed this item. Chair Gladziszewski noted that during the last meeting, there was conversations about Title 49 and we've added updates as standing agenda items. Mr. Watt commented that if you want a system that produces more code amendments then you need a faster process. Right now, what we have is deliberative, slow and careful, and there are good reasons for that. Times have changed and we want to put more focus on amending and updating the land use code, then, our current system is going to frustrate us. On top of all that I just think we ask a lot of the Planning Commission and I think we have to be realistic on how much time the Planning Commission has to do all the things that we ask of them. No recommendation for this meeting, I just think that if we if we are frustrated at our current pace than we should look at the system.

Mr. Bryson asked if any Planning Commissioners indicated that the workload was too heavy or if the spectrum of responsibility is too broad. Mr. Watt replied that he has not communicated with the Planning Commission, but is aware that they meet for long hours and when they schedule the Title 49 Committee to work on the code, it’s tough to get a quorum. Our ability to move code updates through the process is hard and we are trying to find time for CDD, Law, the Planning Commission, and then finally the Assembly to focus on the topic, so I don't know what the Planning Commission would say, but if the Assembly is frustrated at the pace of land use code changes, then I think it’s on the Assembly and Manager to look at the system.

Chair Gladziszewski called on Planning Commission liaison, Mr. Hickok for comment. Mr. Hickok said he could not speak for the entire Planning Commission but noted it’s frustrating with the length of time that some of these things get voted on and processed through, which a lot of it seems to be self-induced. I think sometimes the Planning Commission micromanages many of these proposals, so I don’t know of a quick and easy fix but sometimes we step out of our means as far as overanalyzing or micromanaging.

Chair Gladziszewski called on Planning Commissioner Paul Voelckers in audience to see if he wanted to add anything. Mr. Voelkers commented that the he thought the Manager’s memo was well written and the one thing he would say is he thought that Covid has made it harder. For instance, there are some frustrations on timing to get through revisions for the parking ordinance, with three failures in a row trying to get a quorum. It's just hard, so I think we have to bear that in the back of our mind. I think the Planning Commission does work hard and they have lengthy meetings. That said, I do not think it should be flip and easy to modify code language, it should have a due diligence process. I think if we get past Covid maybe things will ease up and it will feel more tenable.

Mr. Bryson commented that we definitely do our due diligence on most of the committees that he has witnessed. That being said, addressing Mr. Watt, how do we get a fast track for correcting Title 49, as we need to make changes. The development community has spoken up, and the Chamber of Commerce is looking at this issue with Title 49, how do we create a fast track to get Title 49 cleaned up so that the frustration that the development community is experiencing right now doesn't continue to fester and we can make the City employees lives easier if we streamline this code. If we can get at the number of meetings to develop a building down from, say 100 times, to maybe like 10 or 20 times, that's what we're trying to accomplish here, how do we create a fast track. Mr. Watt replied that CBJ code requires that changes to Title 49 go through the Planning Commission, so that is a good question for them. If the Assembly wants faster changes to the code, start with the Commission, they are the one that are the volunteers that work on code amendments and work on apply the code. The people that have technical expertise staff them. The CDD – Planning Commission staff and volunteer interface is the place to get recommendation from a high level of the Assembly that would be more responsive and quicker at updating the code.

Chair Gladziszewski commented that she was trying to get the Title 49 committee and this committee together. It didn’t happen for this meeting, but a good step would be to get together and chat about what’s happening. She was hoping the Title 49 updates would help organize everyone's thoughts, but would like to see some sort of spreadsheet or a list that about what sections we are working on and their timeframe. A list would help provide a good sense of what exactly is in the queue as the verbal updates go by fast and are not easy to follow. The Title 49 committee, she assumes, has such a list if they are working on it. That list would help organize this committee’s accomplishments and what still needs to be done.

Ms. Maclean commented that she will provide the update in writing, including what CDD and the Planning Commission are working for the Assembly priorities, which alludes to the memo on industrial zoning. The top priorities include the comprehensive plan, which was cut in the budget last year. The Auke Bay zoning and implementation, which the rezone failed at the Planning Commission, not for lack of extensive trying we just couldn't seem to bring out the community in support of that zone change. The Planning Commission did approve and recommend for the Assembly to approve two new types of zoning districts, Neighborhood Commercial and Mixed Use-3. The Douglas area plan is still being worked on, with some zone changes that may provide more opportunity for the types of uses that the Community wants to see in the Douglas area, which is quite different then downtown Juneau and Auke Bay. Ms. Maclean noted that if there is time to dig into the industrial zoning this evening, it could provide not only CDD staff, but also the Planning Commission some direction on that Assembly priority. Chair Gladziszewski replied that she was asking about Title 49, where are we with that, what plans are being worked on. There are fits and starts of trying to make the code helpful to developers and that's specifically what we're asking about, where are we with those things. Ms. Maclean replied that she would put together a memo that mashes the Assembly priorities, which is our direction, and a higher level with the plans and actions that drive the land use code changes. She will also work in the changes that the Title 49 committee, Planning Commission and staff have been working on. There are quite a few that have been moving through the process that may not be the most exciting and people may not recognize them for what they are. We will be talking about zoning and housing later this evening at the Committee of the Whole with ways to make housing a priority. Ms. Maclean will bring forward some of the work that have been doing on housing and the other priorities. Chair Gladziszewski appreciated that and still wants to meet with the Title 49 Committee.

Mr. Bryson commented that he appreciates the Ms. Maclean’s memo because he knows that zoning is one area LHED discussed. He asked about industrial zones and how much more industrial land do we need and is that the actual direction for the City. Is having industrial as a priority benefiting the City. This is just one more layer that somebody would have to get around as they are looking to develop near areas that have not been developed. Ms. Maclean mentioned this at the last meeting, that the land that is still being developed in Juneau is unorthodox and hard to development. What we have tried to achieve here and what the City is trying to figure out is how we fit these round pieces of land into these square rules, which is what it seems we are coming up against. The rules don’t match the land that is for development and we shouldn't be hearing from experienced developers that have built the neighborhoods in our community, that now they can't get a neighborhood built, that means something is broken somewhere. I think Ms. Maclean was helping here that if we remove industrial zoning as a priority it could be just one more step to make it easier for development. Chair Gladziszewski commented that land is super scarce and we have to decide what is priority, do we need more industrial or commercial land, we need all of it. The industrial zone in Lemon Creek was supposed to be industrial but is filled up with commercial and there are very few smelly things there anymore. We are looking at how much of that do we need, how many rock quarries or breweries do we need. This is a question for the Planning Commission.

Ms. Hughes-Skandijs commented that she appreciated Mr. Watt's memo and noted that we made cuts to CDD. It looks like we are running into a logjam and would want to hear from the Manager or from Ms. Maclean on what Title 49 is working on that requires lawyers and planners. If it turns out to be too slow for us, and we need to put that money back, I'm not looking for places to try to spend money, but I think we need to be aware of that as well. Chair Gladziszewski commented that we need to decide what our priorities and what ones to pay for.

Chair Gladziszewski noted for the next meeting that she would like to get Title 49 and this Committee together and a list that we can all chat about what has been accomplished. She knows there are other groups in the Community, such as the Chamber, who's frustrated with what's going on and they're having their own meetings. It would be nice if we could move some of this along faster than it has been going. We talked at the last Assembly meeting about the PC getting together with the Assembly or Title 49 getting together with LHED and we decided that it would be faster to get Title 49 together with LHED. LHED does not represent the whole Assembly, and neither does the Title 49 represent the whole Planning Commission. Ms. Hughes-Skandijs added that in the last full Assembly meeting, we also made a note that she requested that we prioritize the full Assembly meeting to meet with the full planning Commission.

Mr. Smith commented that at the last meeting, there was a discussion on the other kinds of things we should be considering in terms of how to move housing along. We are just looking at how we can continue with housing and that is there's probably multiple tracks, models or concepts to be useful for LHED to hear about in terms of development or housing.

VII. STANDING COMMITTEE TOPICS

A. Status of Title 49 Updates (verbal)

Ms. Maclean's discussion was incorporated in Agenda Topic C (above).

B. Status of Housing Initiatives (verbal) – No update.

VIII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

No comments or questions.

IX. ADJOURNMENT

Chair Gladziszewski adjourned the meeting at 5:52 PM. Next meeting Monday, August 9, 2021.