ASSEMBLY STANDING COMMITTEE MINUTES
LANDS HOUSING AND ECONOMIC DVELOPMENT COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
May 10, 2021, 5:00 P.M.
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: Chris Mertl, Parks and Recreation
Liaisons Absent: Dan Hickok Planning Commission, Chris Dimond, Docks and Harbors
Other Assembly Members Present: Loren Jones, Christine Woll
Some Members of the Public Present: Carla Casuluean, Matt Grugan, Paul Affatato, Megan Hillgartner, Gary Brekke, Mike Dilger
Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Michele Elfers, Parks and Recreation Deputy Director; Scott Ciambor, Chief Housing Officer; Alix Pierce, CDD Planning Manager

III. APPROVAL OF AGENDA

Agenda was approved as presented.

IV. APPROVAL OF MINUTES

April 12, 2021 Draft Minutes were approved as presented.

V. PUBLIC PARTICIPATION

Those participating via telephone can press *9 or those that are participating on Zoom can use the “raise their hand” function to participate. No public participation.

VI. AGENDA TOPICS

A. Lena Point Communication Tower lease to Vertical Bridge

Mr. Bleidorn discussed this request. In April 2020, this Committee passed a motion of support to lease City property to Vertical Bridge Holdings near Lena Point. In the time since that motion of support Lands Staff and the City Attorney have been negotiating terms that will be included in an upcoming ordinance that if it is approved will authorize this proposed lease. The terms are similar to recent ordinances that the Assembly approved for towers with a few exceptions:

1) **Rent Escalation**: The applicant has requested a rent escalation of 2% per year for the first term. Existing tower leases on City property have a 3% annual escalation. Staff recommends that that lease include the 3% annual escalation. The reasoning for this is that all other towers on city property have a 3% and a recent reappraisal of a tower for a term renewal increased base rent more that the annual 3% at the start of a new term.

2) **Revenue Share**: In addition to the $1,300 base rent, which includes the first sublease, the City will receive a share of the revenue of all subleases at the rate of 35% for every additional sublease. Existing towers on City property have an increasing revenue sharing with the first sublease being 30%, the second at 40% and 50% for all subleases after that. With a revenue share of 50% there is less incentive to allow additional subleases

on towers and promoting co-location on towers is one of the objectives of the wireless communications facility master plan.

3) **Lease Term:** Vertical Bridge is requesting a 35-year lease duration, which would consist of a 5-year initial term with six additional 5-year renewal terms. Existing tower leases on City property are for 20-years however, tower owners are requesting lease amendments at about 10 years remaining on the lease in order to increase the lease duration. With the City code requiring a lease renewal every 5 years, there is little risk in allowing additional terms to the maximum allowable term of 35 years. Vertical Bridge has indicated that they are building infrastructure that requires a minimum of a 25-year lease.

Chair Gladziszewski asked what makes this lease different from all of the others at 3% or is it just presented as an option. Mr. Bleidorn replied that he researched and reached out to other communities and 3% is the common standard.

Mr. Smith asked if these are the kind of terms for other leases going forward. Mr. Bleidorn replied that in the future more time will be spent looking at individual leases. We had these towers recently appraised and are looking at other infrastructure and locations next to the towers. Different factors can determine the lease but something similar to these terms going forward may apply to future leases with 35% would likely encourage co-location. We are also encouraging communication towers to follow City code, with one of those being co-location.

Mr. Mertl asked about consistency and if we have always done 3% escalation and to create precedence to make this an ongoing continued discussion every time we have to deal with this, then he would be in support of 3% escalation.

Staff request that the Lands, Housing and Economic Development Committee pass a motion of support to the Assembly for approval of a lease to Vertical Bridge by ordinance with a base rent of $1,300 per month, a 3% annual escalation, and revenue sharing set at 35% for up to 35 years. Motion passed.

Mr. Grugan from Vertical Bridge commented about the 3%, and this rate was given to them on the Crazy Horse Drive site for a different communication tower. One of the reasons Vertical Bridge asked for the rate reduction is that they are getting pressure from the other side, the clients. Cellular providers are asking for a revision of agreement, they are asking for a 1.5%. This makes it difficult to have a rate twice the amount with the property owners, the City, who will probably see the lower rate for on future applications.

Chair Gladziszewski asked Mr. Bleidorn where the 3% came from. Mr. Bleidorn replied that he thought that rate originally came from appraisals and back in 2012 Lands had a lot of communication tower leases come in and hired a private consultant to aid in those and found a 2 – 5% range of escalations. Lands has the ability to evaluate the escalation of the base lease every 5 years and this doesn't affect the subleases, were we get a percentage of revenue. This is just for the base rent of the lease. Mr. Bryson commented that he debated interjecting on this as he has seen if from both perspectives. The property owners try to keep it at 3% to keep on par with escalating inflation. The problem is that property values do not go up in a straight line and maybe look at the 5-year mark to revisit lease rates.

VII. STAFF REPORTS

A. Off Road Vehicle Working Group and 35 Mile Parcel

Ms. Elfers discussed this item. Last fall, after public comment from off-road vehicle (ORV) recreation enthusiasts on the Montana Creek Road closure request, P&R staff initiated meetings with various ORV groups in Juneau. This working group includes representatives from the Jeep Club, Motocross Club, and the Juneau Off-Road Association (JORA). The group's goals are to identify ORV riding sites, create a sustainable management structure, support safe riding, and build durable infrastructure that protects the natural and built features of the facilities. There has been considerable effort over the last twenty years in identifying and evaluating sites around Juneau. The work group is not intending to replicate previous efforts but rather use existing data to build on the previous work. P&R has facilitated the discussion and planning by the user groups to help them navigate the process required to develop and manage riding sites. Areas of interest identified by the user groups include:

- 35-mile CBJ parcel that was previously studied for ORV riding by a CBJ hired consultant
- Montana Creek area off of the Montana Creek trail on DNR land
- S&S Pond, private land along Lemon Creek and adjacent to Egan Drive
- Old sand and gravel pit behind Home Depot, CBJ owned
- Other privately owned lands

The ORV groups have very different interests in riding, including a track for motocross, a riding park that is designed with jump and play features for ATV's, and remote trails for riding jeeps and ATV's to camping spots and overlooks. It is unlikely that one location would be able to accommodate all of these types of recreation. JORA has expressed interest in working with CBJ on developing the CBJ parcel at 35 mile for riding. This site would be focused on remote trail development to campsites and overlooks but may have enough space in previously logged and developed areas by the road for a small riding park or youth training area.

P&R partners with many user groups to facilitate recreation on CBJ lands. Typically, we develop a relationship formalized through a management agreement. Hank Harmon Public Range, the Archery Range, Community Garden, Treadwell Historical Park, SAIL Ropes Challenge Course at Amalga Park, AWARE Totem Pole, Juneau Nordic Ski Club, and Juneau Mountain Bike Alliance are examples of facilities or user groups with agreements for recreation on. P&R does not have the resources or capacity to develop and manage all of the facilities we have around Juneau, so we rely on our community partners to do this. A community ORV riding facility can follow a similar partnership model for development and management as the facilities mentioned previously. A typical management agreement with non-profit organizations would include:

- Intent and Purpose of Facility for Public Recreation as aligned with existing CBJ plans
- Development Requirements – technical and environmental standards for construction, plan of development attached, all permits required as part of the agreement
- Management and Operational Requirements – duties required to minimize and mitigate for site impacts, including environmental considerations, site access, regulations and rules, fees charged by the user group, maintenance of improvements
- Reporting requirements – Annual operating plans submitted
- Roles and Responsibilities of CBJ – often in partnerships CBJ assumes a role as well such as allowing signage to be posted, reviewing rules, providing maintenance or development resources when able
- Insurance Requirements – entities are typically required to insure the activities occurring at the facility during development and operation

- Indemnification – CBJ applies standard indemnification language to agreements
- Term of Use – The agreement has an expiration date with terms for extensions
- Map – to show use areas

P&R staff is beginning to work with JORA to outline what a development and management agreement could look like for use of the 35-mile parcel. To determine if a partnership is feasible and the 35-mile parcel is appropriate for this use, the research and mapping previously performed on this parcel will be used to understand the opportunities and impacts of developing an off road trail system. Additional information may be obtained. For example, P&R will work with Trail Mix and JORA using these maps and some in-the-field GPS work to evaluate site access, trail locations, and site security. Preliminary trail and riding area layout work by Trail Mix can be funded through the existing Off Highway Vehicle CIP. Opportunities that exist on this parcel include an old network of logging roads and a parking area as well as steep topography that separates the watershed of the parcel from the Cowee Creek watershed. Challenges that need to be considered are the proximity to the Cowee Creek watershed and Héen Latinee experimental forest, and how to ensure site area control. Upon evaluation of this site and the drafting of a development and management plan, the next step is likely a conditional use permit from the Planning Commission and approval of a management agreement from the Assembly by resolution. Staff will continue to work with JORA and anticipates providing additional information to the PRAC, the LHED, and the Planning Commission this summer.

Chair Gladziszewski noted that P&R is just investigating sites and in the beginning stages and Ms. Elfers is looking to answer any questions. Mr. Bryson asked if this is the closest to finding an actual spot for ORV riding. Ms. Elfers replied that she wasn't sure how close they are "yet" but with further research and public comment this site can be further evaluated. Chair Gladziszewski also replied that there had been proposals in the past that had reached the Planning Commission stage and that we are not at that point yet and asked who the management agreement would be with. Ms. Elfers replied that most likely it would be JORA, who have expressed interest and understood there would be an insurance requirement among others.

Mr. Smith asked about different user groups and which of those would be happy with this potential site. Ms. Elfers replied that JORA recognized it met their interest with campsites, overlooks, and other features. Looking a little closer at this site, a question if there was enough space for a youth practice and training area, or could there be a track. This site could be appropriate for that wilderness riding experience and there are questions if this site could also be appropriate for a little bit more. Mr. Smith asked what is the total area or acreage that is being looked at. Ms. Elfers replied that the total parcel is 1500 acres. In 2013, 513 acres were identified as suitable after looking at topography, terrain, and bald eagle nests among other attributes, with 975 acres were looked at as unsuitable.

Mr. Bryson asked what the history of community objection to this site is. Ms. Elfers replied that conversations with City staff involved in the research of this staff in 2013 noted that the primary reason this site fell through was the anticipated it was too costly for the City to develop at that time. She was not aware of any community objections. Public outreach will be conducted for this site as it progresses.

B. Montana Creek Master Plan and State of Alaska Juneau State Land Plan

Ms. Elfers discussed this item. Recreational activity and interest in the Montana Creek valley has been increasing in recent years. Hunting, fishing, hiking, camping, biking, harvesting, archery,

shooting sports, Nordic skiing, snowshoeing and ORV riding are all occurring in the area. User groups have requested increased parking, new trails for motorized and non-motorized recreation, and a biathlon facility in the area with P&R over the past year. Staff will be leading a Master Planning process for the area with the USFS, Alaska Department of Natural Resources (DNR), Trail Mix, user groups and the general public to better understand existing uses, infrastructure needs, future recreational community interests and the connection of this area to Spaulding Meadows and the Windfall Lake area. Work will begin this summer and fall with plans to complete the plan at the end of the year. The USFS and DNR have also received comments from user groups on increasing uses and facilities in the area. DNR is currently reviewing an application for an easement for a motorized use trail on state lands in Montana Creek and part of this review; DNR has shared the Juneau State Land Plan from 1993 with P&R staff. This plan guides DNR management of state lands with the intent to meet the "economic, social, and cultural needs of Alaskans." It recommends transferring management of state lands in Montana Creek to CBJ under a cooperative agreement. The plan can be found here:
http://dnr.alaska.gov/mlw/planning/areaplans/juneau/pdf/juneau_state_land_plan.pdf
In the plan, Montana Creek state land is designated to be managed for recreation, habitat and harvest values as well as mineral locations.

P&R met with DNR Division of Mining, Land and Water (DMLW) to discuss the state land plan and the management recommendation. DMLW often pursues cooperative management agreements with municipalities or other entities when use of a specific area increases and they recognize that a local entity will better be able to manage the use. Recently, DMLW completed a Cooperative Resource Management Agreement (CRMA) with the City of Gustavus to allow the transfer authority to the City to manage a popular beach area near the ferry terminal. CBJ has a similar management agreement with State Parks to manage the Perseverance Trail area. For this area, DMLW has a management agreement with DNR State Parks. State Parks and CBJ then signed a Memorandum of Understanding to allow P&R to manage the area. On Perseverance Trail, P&R maintains the trails, pursues grants for restoration work, works with trail users to mediate bike, pedestrian and wildlife conflicts and monitors usage and hazards. It is unlikely that State Parks or DMLW has the resources to manage the high use on Perseverance Trail currently.

In the Montana Creek valley, CBJ manages the access to state and federal lands on the paved portion of the road and surrounding natural areas. As use increases in the valley, CBJ will have to manage the increased impacts of this use, such as parking, trash, and conflict management. The master plan and cooperative management agreement proposal present an opportunity to look at current and future use of the land. A cooperative management agreement with the state may be a good option given that CBJ is already managing impacts of use and any increased activity will lead to more pressure on CBJ facilities and land. CBJ staff will continue discussions with DMLW staff to understand how a cooperative management agreement could be developed and continue with the interagency and public master plan process. Staff anticipates bringing more information back to the committee for consideration this summer.

Chair Gladziszewski asked about the Juneau State Land Plan, if in 1993, they agreed to do this but it only came to light after new uses were proposed. Ms. Elfers replied that she hasn't heard that it has been brought to the City before, that it is an old plan and she hasn't heard if it is being redone but because they did bring it to P&R it is thought that there is some merit and worthy of consideration. Chair Gladziszewski followed up by asking if the City has experience with management agreements with the State. Ms. Elfers replied that Perseverance is one and she would have to research other agreements and get back to the Committee.

Mr. Hickok asked what harvest values meant. Ms. Elfers replied that in the State Land Plan there is an explanation of harvest values such as fish and wildlife harvesting. Some land areas are high value for fish and wildlife harvesting.

VIII. STANDING COMMITTEE TOPICS

A. Status of Housing Initiatives

Mr. Ciambor gave an update. Downtown tax abatement is now live and the Assessor's office has forms. Torrey Pines Development, the assisted living project, will be going to the Planning Commission in about a month and if all goes well there will be public outreach this summer. Other projects that are being worked on are development framework for the Upstairs Downtown Housing rehabilitation and the Housing Fund being moved on the list, to be brought back to this Committee. Lands and Housing met with local partners, Juneau Housing Trust and Tlingit and Haida Housing Authority, to bring back to the Committee potential models or options to get affordability for disposal options for future Pederson Hill lots.

Mr. Bryson was pleased that this Committee was talking about housing initiatives as this Assembly has done a lot to work on housing and asked how many housing projects are currently stopped right now and how many apartments have been served to vacate. He is hearing on the street that there are a number of projects that have been issued stop work orders and a number of apartments that people have been told to vacate. He also heard that contractors in the community do not have positive moral right now and they are not pleased but every time Mr. Bryson tries to dig into what is going on, he is hearing Title 49 and CDD issues. Chair Gladziszewski wanted to make sure that Staff had all three of Mr. Bryson's questions. Mr. Bryson reiterated that they were, 1) how many housing projects are currently being stopped right now and what are the reasons, 2) how many apartments or housing units are being served notice to vacate, and 3) why is the building community and contractors so upset right now with CDD. Finding out these answers would help with understanding what is slowing down housing right now. Ms. Pierce was asked to address the questions or bring back a reply to the committee. Mr. Ciambor replied that he didn't have any quick answers for this meeting but would work with CDD to find out details and get back to the Committee. Ms. Pierce commented on the stop work orders and vacations that come to mind are matters that are under appeal right now but will work with Mr. Ciambor on the data points to address Mr. Bryson's questions.

B. Status of Title 49 Updates

Ms. Pierce discussed this item. On the May 25 Planning Commission the topic of parking will be discussed with an opportunity to take public testimony and comment. The PC is not expecting to pass anything at this meeting and there is no draft ordinance at this time. The Title 49 Committee will be taking up the streamside ordinance in late May to bring back to the Commission. Hearings are being scheduled for Auke Bay and Downtown zoning, both ordinances need to move forward before the Assembly. The Assessor apartment discussion came before the COW meeting as a housekeeping item and will go to the full PC this summer.

IX. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

No comments or questions.

X. ADJOURNMENT

Chair Gladziszewski adjourned the meeting at 5:57 PM. Next meeting Monday, June 7, 2021.