ASSEMBLY STANDING COMMITTEE
LANDS AND RESOURCES COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA

December 7, 2020, 5:00 PM.
Zoom Webinar/Virtual Meeting Only
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I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

A. November 9, 2020 Draft Minutes

IV. PUBLIC PARTICIPATION

(Not to exceed a total of 10 minutes nor more than 2 minutes for any individual).

V. AGENDA TOPICS

A. Discussion of Committee Scope

B. Application to Acquire Telephone Hill Properties

C. Downtown Tax Abatement

VI. STAFF REPORTS

A. Christmas Tree Cutting on Municipal Land

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

VIII. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

ASSEMBLY STANDING COMMITTEE MINUTES
LANDS AND RESOURCES COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
November 9, 2020, 5:00 P.M.
Zoom Webinar Meeting

I. 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: none

Some Members of the Public Present: Michael Bucy

Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Michele Elfers, Parks & Recreation Deputy Director; Jill Maclean, CDD Director

II. APPROVAL OF AGENDA

The agenda was amended to add Item D to the Agenda Topics list, "Discussion of the Name and Scope of the Lands Committee."

III. APPROVAL OF MINUTES

The August 31, 2020 Draft Minutes were approved.

IV. PUBLIC PARTICIPATION

No public participation.

V. AGENDA TOPICS

A. Easement Code Amendment

Mr. Bleidorn discussed this topic to amend the CBJ easement codes, 53.09.300(b) and 53.09.300(f) to bring them up-to-date with other existing codes. For (b), the changes are to alter the language to include an application fee instead of a base fee and changing the amount to $100.00 from $15.00. For the second section, (f), the amendments are to add the phrase to the sale or lease price to include "not less than fair market value as determined by the Manager. If the Manager cannot determine fair market value, the applicant shall pay for an appraisal ordered by the Manager," and remove the phrase, "the appraised value established not more than 90 days prior to assembly authorization of the easement." One of the reasons for this change is that 90 days is not standard and with real estate appraisals, which is usually 180 days. In the case of most easements, the value is generally low and the cost of the appraisal will be more significant than the cost of the land. These changes are to streamline the process and allow it to be more conforming.

Mr. Bryson asked if there is a base price per square footage that the City that the Manager will be able to start from and will this simplify the process of getting an easement. Mr. Bleidorn replied that there is not a base price due to each easement being based on size, zoning, and existing infrastructure, which all effect the price. If the value were difficult to determine then we would default to an appraisal, which is what we usually get most of the time. Staff can also look at assessed values of neighboring properties and review previous easements that are similar to help determine a value. We can also bring in the Assessor's Office for help in determination. This new process will make it faster for the applicant who is waiting for an appraisal to be complete and it will streamline the process as there is staff time involved in arranging the appraisal, which Lands pays for up front to ensure the appraiser has the City's best interest in mind as well. The applicant will pay for the appraiser as they reimburse the City. There will ultimately be some time and staff savings in allowing the Manager to determine easement values.

Mr. Smith asked if every easement requires an appraisal now. Chair Gladziszewski and Mr. Bleidorn replied yes, as it is now written whenever there is an easement request an appraisal not more than 90 days old is required, which after the application proceeds through the Lands Committee and Assembly, it can exceed that time and would require the appraisal to be updated after the 90 days. Mr. Smith asked if Lands would then ever need an appraisal and what if the applicants did not agree with the value. Mr. Bleidorn replied that the default would still be an appraisal, as it is the most common way to determine fair market value. The Manager would be able to determine value, which is the case for land sales and are often more valuable than a small easement. The land sales code has a section that allows the Manager to determine value and our default will still be an appraisal. Item B on the agenda is an example of why we want to allow this change.

Motion for the Lands Committee to direct the City Attorney to draft an ordinance for the 53.09.300 code amendments for Assembly presentation passed.

B. Chicken Yard Park Easement Request

This request is for a utility easement at Chicken Yard Park on 626 5th Street. In 2019 CBJ granted an easement to the homeowner adjacent to Chicken Yard Park (626 5th Street) to resolve an issue of access through the park, avoid litigation, and allow CBJ to move ahead with planned improvements to the park. The 2019 easement includes two parking spaces within the park, vehicle parking access (driveway easement), and pedestrian access through the park from the parking spaces to the residence.

The Lands Office received an application for an additional easement across Chicken Yard Park on City property. The homeowner has requested to run conduit and electrical wiring from their home to an electric vehicle charger that they plan to install within the existing parking space easement. This utility easement request was discussed at the September 1, 2020 PRAC, which provided the recommendation that the Lands Committee support the utility easement request and forward it to the full Assembly for consideration.

A motion of support from the Lands Committee to the Assembly for granting a utility easement through Park property passed.

C. Williams & Colp Application to Acquire City Property

This item had been to the Lands Committee a few years ago with positive support and then stalled until just recently. The original application was brought to the Lands Committee on April 10, 2017 meeting with a motion of support to the Assembly for a fair market value negotiated sale of City property to the original applicants Williams and Colp. The application was from Dwight Scott Williams and Carol Colp to acquire City property in North Douglas adjacent to their property at 11259 N. Douglas Highway. The applicants own a substandard triangular shaped lot approximately 14,000 square feet and if approved, the applicant's property will meet the minimum square footage necessary for the dimensional requirements of the rural reserve zoning district. The application received support in 2017 from the Assembly as new business to work with the original applicant. There was support from the Planning Commission for the sale of a portion of USS 3559, with the following condition that the area of land disposed by CBJ to the applicants shall be the minimum necessary to meet the dimensional requirements of the rural reserve zoning district found in Title 49, the Land Use Code.

Mr. Bryson asked about the definition of rural reserve, if the applicant is trying to build one house on their lot and trying to bring it up to code, what is the proposed fair market value, or if Lands has an estimate of that value to be charged. Mr. Bleidorn replied that to meet the zoning requirements was a condition from the Planning Commission to build a home on their lot. A 2017 appraisal was completed but both the City and applicants agreed the price was too low have been in discussions about fair market value and have come up with a value estimate around $34,000. Mr. Bryson replied that his question was to confirm that the applicant could build what he wants in the area that is zoned rural reserve. Mr. Bleidorn replied that that has been discussed with the applicant through this process to confirm his intent to build is what is being followed through with.

Ms. Hughes-Skandijs noted that the Planning Commission has requested that the applicant acquire land to meet the minimum to build their home and looking through past minutes that the request for land was not enough to meet the minimum. When the Assembly gets the ordinance, will the applicants be purchasing enough land to meet the lot size? Mr. Bleidorn replied that originally it went to the Lands Committee prior to the Planning Commission and that there was some talk with the applicant to purchase a larger lot than their original application to meet the minimum requirements. Lands has continued to work with the applicant to ensure that they meet the requirements.

Mr. Smith questioned the dimensional requirements in that it did not seem like the lot requested would meet the minimum square feet. Chair Gladziszewski replied that the recommendation from the Planning Commission was to sell the applicant the amount of land that would meet the lot size required in a rural reserve, whatever that amount would be and noted that the reason the triangle doesn't work is due to the setbacks that are required in order to build a house. Mr. Smith wanted to clarify that the amount requested would meet the minimum amount as the documentation was unclear that the amount to be sold did not make the lot conforming. Chair Gladziszewski replied the Planning Commission would only sell the amount to make the applicant's lot conforming. Mr. Bleidorn commented that the original application did not meet the minimum but the applicants have since that time agreed to purchase the minimum amount to make their lot conforming, which is a larger lot than the initial application.

Staff requested a motion of support to the Assembly for the disposal of City property to Dwight Williams and Carol Colp for fair market value, motion passed.

D. Discussion of the Name and Scope of the Lands Committee

Chair Gladziszewski introduced a new topic to the Agenda on the scope and name of the Lands Committee. This topic was part of a discussion during the Assembly retreat on November 7, 2020 to align the goals of the Lands Committee with those discussed during the retreat. There was some discussion that this committee be titled Housing and Economic development and that will be included at the next Lands Committee meeting.

Mr. Bryson commented that economic development could be thought of through our land resources or the revision of the easement code to lower the costs for those that are trying to build. If we think of the big picture, this group could even be involved in the electrification of the docks. This committee could also just discuss land issues that come up and spend more time discussing those, such as Pederson Hill. One of the reasons behind the Assembly's committees is to filter information and vet it for the Assembly. Economic development will be very important over the next few years, such as cost of living issues.

Mr. Mertl asked for background information for the Liaisons that were not present at the retreat. Chair Gladziszewski replied that the focus was to ensure that the committees are structured to work on issues that they want to complete and work through and to review some of the Assembly's goals and address what is not being discussed in committees.

The decision was made to add this item to the next Lands Committee meeting on December 7, 2020, for further discussion.

VI. STAFF REPORTS

A. Mendenhall Valley Air Quality Program Update (verbal)

Mr. Bleidorn gave an overview of the air quality program for the Mendenhall Valley, managed by Lands. There are numerous health effects due to air pollution and the City monitors this between October and April each year. Lands monitors the particulate matter, or PM2.5, throughout each day during this time. Wood smoke is a major source of PM2.5 in the Valley and many residents have converted to more efficient woodstoves, reducing the amount of pollution.

An air inversion can happen when cool air is trapped under a layer of warm air, causing the air to become stagnant. Lands works with the State of Alaska and their monitoring station above Floyd Dryden Middle School. Lands has 12 signs throughout the valley to be opened in the event of an air emergency and works with the local radio stations to send out PSAs for air emergencies. The wood smoke hotline is updated during emergencies (586-5333), as well as Juneau.org\lands. Lands has also set up automated text messages to also alert citizens and has the City Facebook page updated.

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

No comments or questions.

VIII. ADJOURNMENT

Chair Gladziszewski adjourned the meeting at 5: 48 PM.

Proposed Amendments to Resolution 2862 (August 2019)

5. Lands, Housing, and Economic Development Committee. The Lands, Housing, and Economic Development Committee may take up issues relevant to the lands, water or air within the City and Borough. The duties of the Lands, Housing, and Economic Development Committee shall include recommendations to the Assembly regarding:

(a) The preparation and revision of a land management plan and the acquisition and disposal of CBJ lands;

(b) The administration of the lands fund and the mineral holdings of the CBJ; - 6 - Res. 2862

(c) Implementation of the Long Range Waterfront Development Plan, and issues relating to use and development of the CBJ waterfront;

(d) Promotion of improved housing availability in the City and Borough; and .

(e) Promotion of a vibrant and diverse local economy.

DRAFT 2021 Committee Goals

Assembly Goals set at
November 7, 2020 retreat

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

	AA*	Implementing Actions	Responsibility	Notes:
A	P/F	Prioritize Housing Action Plan strategies	Assembly, Manager's Office	*Short term*
B	P/F/O	Approve and implement Affordable Housing Fund distribution plan.	Assembly, Manager's Office	*Short term*
C	P	Develop downtown housing incentives including tax abatement	Assembly, Manager's Office, CDD	*Short term*
D	P/F	Focus on developing workforce housing	Assembly, Manager's Office	*Long term*
E	P/F	Develop incentives to encourage long term rentals over short term rentals	Assembly, Manager's Office, Finance	*Long term*

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

	AA*	Implementing Actions	Responsibility	Notes:
A	P	Implement Juneau Economic Plan	Assembly, Manager's Office	*Short term*
B	F/O	Revitalize Downtown	Assembly, Manager's Office	*Short term*
C	O	Area Plans: Complete Downtown Area plan, followed by Douglas and Valley area plans.	Assembly, CDD, Planning Commission, Manager's Office	*Blueprint = short. Douglas/ Valley = L*
D	F	Evaluate next steps & benefits with the West Douglas road and Channel Crossing	Engineering	*Long term*
E	F/O	Update the Comprehensive Plan	CDD	*Long term*
E	O	Protect future industrial land	Assembly, Manager's Office, Lands, CDD	*Long term*
F	P/F	Explore and review options for the Centennial Hall complex	Assembly, Manager's Office	*Long term*
G	P/F	Explore viability of a summer operation plan for Eagelcrest Ski Area	Assembly, City Manager, Eaglecrest Board, Eaglecrest General Manager	*Long term*

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:
A	F/O	Maintain Assembly focus on deferred maintenance including BRH and JSD.	Assembly, Manager's Office, Engineering/Public Works, all operating departments with facilities	*Short term*
B	P/F	Protect Budget Reserve	Assembly, Manager's Office, Finance	*Short term*
C	P/F	Continue to evaluate sales tax structure.	Assembly, Manager's Office, Finance	*Short term*
D	P/F	Develop plan to address reduced state support for School Bond Debt Reimbursement.	Assembly, Manager's Office, Finance	*Short term*
E	P	Reduce the relative cost of living in Juneau where possible.	Assembly, Manager's Office, Finance	*Long term*
F	F/O	Examine life cycle and life cycle costs of CBJ facilities including city hall	Assembly, Manager's Office, Engineering & Public Works	*Long term*

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

Assembly Goals 2021

Assembly Goals set at
November 7, 2020 retreat

4. Community, Wellness, and Public Safety - Juneau is safe and welcoming for all citizens

	AA*	Implementing Actions	Responsibility	Notes:
A	P/F/O	Reduce homelessness	Assembly, Manager's Office, Community partners	*Short term*
B	P/F/O	Working with non–profits, BRH Board and CEO, develop a plan for non-profits and BRH's role with public health and social services in the community		*Short term*
C	P/F/O	Assess legislative impact, community services, and operations through the lenses of systemic racism .	Assembly, Manager's Office, Community partners	*Short term*
D	P/F/O	Develop and implement strategies to reduce and deal with the impacts of crime in the community.	Assembly, Manager's Office, Law, JPD, Community Partners	*Long term*

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

	AA*	Implementing Actions	Responsibility	Notes:
A	P/O	Develop strategy to measure, track and reduce CBJ energy consumption.	Assembly, Manager's Office, all departments	*Short term*
B	P/F	Make a long term plan to achieve reliance on 80% renewable energy sources by 2045	Assembly, Manager's Office, Engineering/PW	*Short term*
C	P/F	Develop climate change adaptation plan	Assembly, Manager's Office	*Short term*
D	P/F/O	Develop solid waste strategy including plans to increase recycling and deal with abandoned/junked vehicles	Assembly, Manager's Office, Engineering/PW, JPD	*Long term*

6. Pandemic Recovery - Protect Public Health and Recover Economic Strength During the COVID Pandemic

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

MEMORANDUM

CITY/BOROUGH OF JUNEAU
Lands and Resources Office
155 S. Seward St., Juneau, Alaska 99801
Dan.Bleidorn@juneau.org
(907) 586-5252

TO: **Maria Gladziszewski, Chair of the Assembly Lands Committee**

FROM: **Dan Bleidorn, Lands and Resources Manager** Daniel Bleidorn

SUBJECT: **Application to Acquire Telephone Hill Properties**

DATE: **December 7 2020**

In 1984, the City and Borough of Juneau and the State of Alaska, through DOT&PF, entered into a Cooperative Use Agreement for the Telephone Hill property in which the City provided $2M for the State's purchase of the Telephone Hill properties for possible location for a new State Capitol. This agreement was amended in 2008 in order for the City to build the parking garage and transit center. The amendment allowed for the City to lease the land located at Telephone Hill in order to build the transit center and garage with the intent that the State would work with the City to convey ownership at a future date.

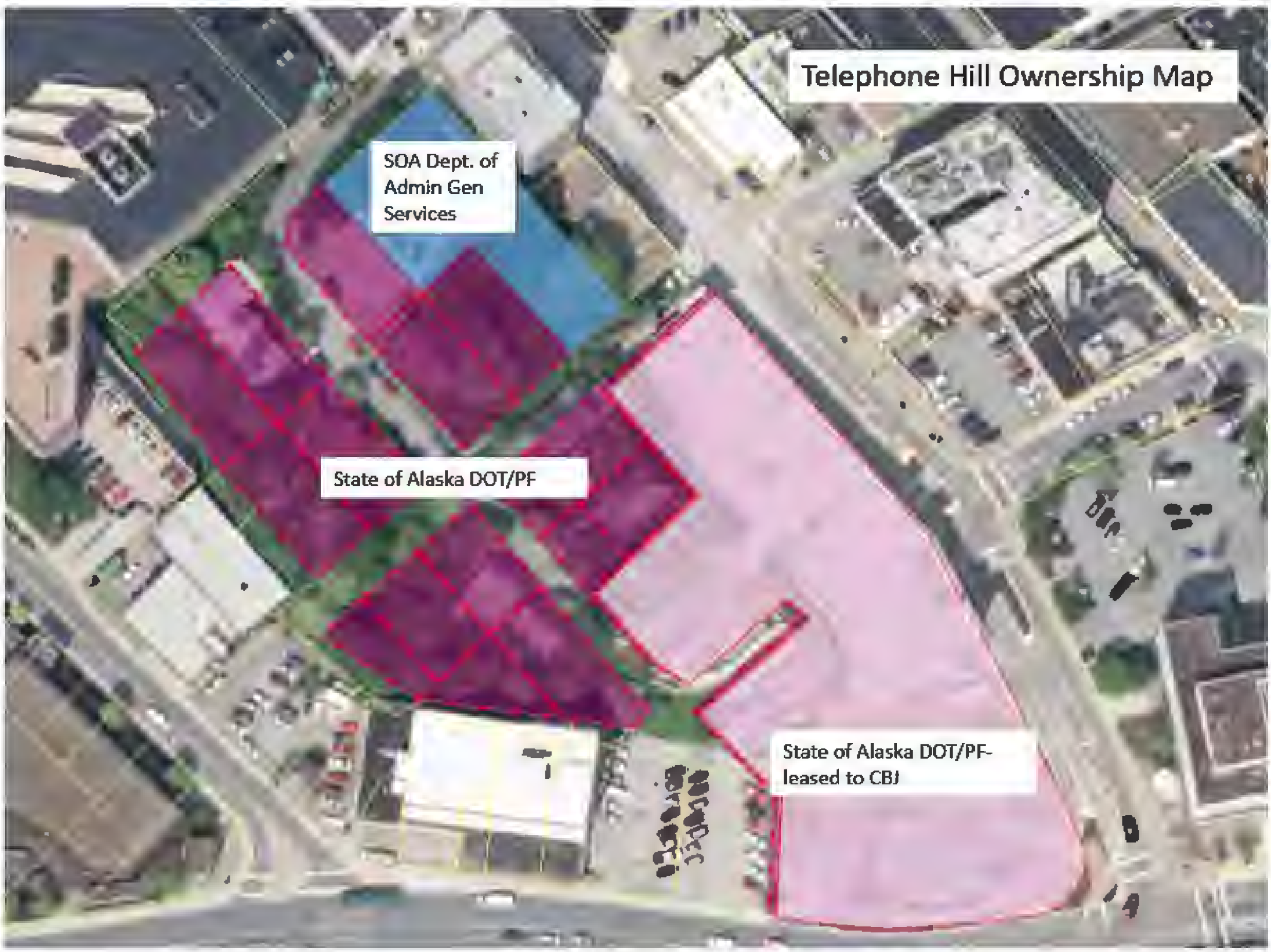
In December of 2019, the Committee of the Whole was informed of the Governor's Property Disposal Directive Report and agreed that staff should pursue acquisition of the property. The next step in this process is for the Assembly to pass a Resolution in favor of the City Manager submitting an Application for the land.

Staff requests that the Lands Committee provide a motion of support for a resolution in favor of the City applying to acquire the Telephone Hill properties from the State.

Attachment:

1. **Telephone Hill Map**

CITY AND BOROUGH OF JUNEAU ALASKA'S CAPITAL CITY LANDS & RESOURCES


Telephone Hill Ownership Map
SOA Dept. of Admin Gen Services
State of Alaska DOT/PF
State of Alaska DOT/PF- leased to CBJ

MEMORANDUM

155 S. Seward St. Juneau, Alaska 99801
Scott.Ciambor@juneau.org
Voice (907) 586-0220
Fax (907) 586-5385

Date: December 7, 2020

TO: Lands, Housing, and Economic Development Committee

FROM: Jill Maclean, AICP, Director, Community Development Department *Jill Maclean*
Scott Ciambor, Chief Housing Officer *Scott Ciambor*

Re: **Upstairs Downtown Housing Inventory; Downtown Parking & Tax Abatement**

Dear Lands, Housing, and Economic Development Committee:

The goal of encouraging more housing development in downtown has been a long-standing priority, most recently identified in the 2021 Assembly Goals, Juneau Economic Development Plan, and the Housing Action Plan.

The Assembly 2021 Goals include the following:

- **Goal 1: Assure adequate and affordable housing for all CBJ residents**
    - Prioritize Housing Action Plan Strategies
    - Approve and Implement Affordable Housing Fund Distribution Plan
    - **Develop Downtown Housing Incentives Including Tax Abatement**
    - Focus on Developing Workforce Housing
    - Develop Incentives to Encourage Long Term Rentals Over Short Term Rentals

The CBJ Housing Action Plan includes a section on Downtown Housing Strategy			
	Completed	In Progress	To Be Initiated
Set goal for number of downtown units			x
Inventory vacant/blighted/abandoned housing units (*Upstairs Downtown)*	X		
Review parking ordinance to promote development		X	
Implement blighted area ordinance	X*		X
Market development opportunities to outside developers/financiers or provide land (2nd and Franklin)			X**
Develop incentives to upgrade and develop housing units:			
Tax Abatement		X	
Juneau Affordable Housing Fund		X	

**Ordinance 2019-30 Chronic Nuisance Properties adopted 2019;*
***In 2017 CBJ issued a RFP; received 2 responses; opted to work w/Eagle Rock Ventures; with existing challenges could not make the project feasible.*

2020 UPDATES

Upstairs Downtown Housing Inventory
At the March 2, 2020 Lands Committee meeting, CBJ staff presented the Upstairs Downtown Housing Inventory Story Map to visualize the housing situation and challenges in part of the downtown core.

Key points from the Upstairs Downtown Housing Inventory Story Map exercise include:

- Only 181 housing units in the study area;
- Study area has the characteristics of a business district:
  - 100 business/government use building vs. 37 residential;
  - Downtown mainly populated during 9AM to 5PM hours;
- Demographics in downtown housing are 18ys to 49yrs (2010 census);
- **Since 2017, there have been 0 new housing units developed in the study area**;
- Age and condition of the building are a pro and a con:
  - Expensive to rehabilitate or convert to housing, *and*
  - A Historic Tax Credit grant eligible area;
- Majority of the properties are locally owned (79%);
- Significant barriers to housing development to be aware of:
  - Avalanche/mass wasting zones;
  - Flood zones;
  - Parking regulations and parking management; and
- 37 Short-term rentals currently registered on Airbnb/VRBO:
  - Total Employee Assisted Housing (seasonal rentals for employees) is unknown.

Downtown Parking Status
The Planning Commission Title 49 Subcommittee (T49) continues to meet to review parking recommendations for downtown parking requirements. T49 has a meeting set for December 17, 2020 at 12pm. Staff anticipates T49 making a recommendation to the Commission COW at this meeting, which would likely occur in January. T49 is reviewing the following recommendations:

- Recognizing the scope of the Commission's authority, recommend that CBJ review and revise the parking management system;
- Revise 49.40.210(d) Exceptions, specifically (49.40.210(d)(5) and (6) – Fee In Lieu (FIL) and Parking Waivers:
  - Eliminate PD1 and PD2 overlay districts;
  - Keep FIL overlay district;
  - Use FIL boundary for FIL and Parking Waiver district;
  - Update Parking Waivers borough-wide with new criteria using minor and major development to streamline the permitting process (director or commission reviews all permits associated to the development; rather than director reviewing part with commission reviewing additional approvals—streamline permitting);
  - Revise Parking Waivers to automatically have a reduced % (TBD); discussing 75% reduction
    - After reduction is applied, applicant may opt to pay FIL for remaining required off-street parking not met on site

Downtown Housing Tax Abatement

In the packet is draft language for a Downtown Juneau Housing Tax Abatement program. This program builds from the existing ordinance for Senior Housing Tax Abatement and adds the following terms for downtown Juneau:

- The type of housing eligible for exemption are projects that add new residential units of 4 or more; and
- The targeted area for tax abatement is the FIL parking district (maps included).

The terms for downtown housing tax abatement are similar to those in the Anchorage Downtown Tax Abatement program. A summary of projects utilizing the program in Anchorage is included in a memo in your packet.

Targeting the area of eligibility as the FIL parking district meets CBJ goals:

- Covers area of a downtown core; includes the Historic District
- Focuses on areas emphasized in the Assembly 2021 Goals, and the Housing Action Plan, Juneau Economic Development Plan, and the Willoughby District Plan.

If implemented as proposed, the program reporting would include the following:

- Annual report of property owners utilizing tax abatement;
- Annual report on exemption of taxes;
- Annual report on applications & status;
- Future reporting on impact on taxes once 12-year abatement period ends.

Staff requests a motion of support for the Assembly to adopt an ordinance initiating a Downtown Juneau Tax Abatement program as presented.

Previous Assembly Discussions on Tax Abatement for Housing

Since the passage of Alaska SB 100 that gave municipalities the option to provide tax exemption or deferral for economic development property in 2017, the Assembly has discussed utilizing this tool on numerous occasions as it pertains to housing development.

Initial research on the application of SB100 and Housing Tax Exemption program was provided to the Assembly Finance Committee on April 18, 2018. A table of examples from Washington State, Oregon, and New York were included. A partial list of housing incentive requests was gathered for the August 9, 2018 COW meeting, including of developers requesting tax abatement. (Attachment A: Housing Incentives request 2016-2018)

Property Tax Abatement for Senior Housing

At the April 29, 2019 , May 20, 2019, and June 10, 2019 COW meeting, essential terms for tax abatement that would meet a variety of housing needs was discussed. (Downtown, senior, and workforce housing) This led to the introduction and passage of Ordinance 2019-23, An Ordinance Providing for a Property Tax Abatement Program to Incentivize the Development of Assisted Living for Senior Citizens.

Anchorage Tax Incentives for Housing: January 2019 – August 2020

The municipality of Anchorage adopted Ord. No. 2019-12 to incentivize housing development for projects. A summary of the program including description of units created is included in a separate memo in this packet.

Presented by:
Introduced:
Drafted by:

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-xx

An Ordinance Providing for a Property Tax Abatement Program to Incentivize the Development of Housing in Downtown Juneau.

WHEREAS, Alaska S.B. 100 gave municipalities the option to provide tax exemption or deferral for economic development property; and

WHEREAS, consideration of the use of tax abatement incentives to encourage development of workforce, senior, and downtown housing is included in the Housing Action Plan and Juneau Economic Development Plan; and

WHEREAS, a 2020 Assembly Goal is to "develop downtown housing incentives including tax abatement.

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 Section. CBJC 69.10.023 Property tax incentives for economic development property, is amended to read:

69.10.023 Property tax incentives for economic development property.

(a) *Purpose*. This section authorizes property tax exemptions for the following on a property that meets the definition of economic development property in A.S. 29.45.050(m):

(1) At least fifteen new residential units of assisted living for senior citizens. The term residential units includes the assisted living residential units for senior citizens and only those building spaces that are necessary and incidental to the assisted living of senior citizens that qualify for inclusion in the exemption like common space, support space, and shared facilities. A residential unit qualifies for the exemption even if a non-senior citizen resides in the unit with a senior citizen.

(2) At least four new residential units in the downtown Juneau area, which is an area defined by xxx.

(b) *Location*. The property is located entirely within the urban service area as defined by Title 49.

(c) *Exclusions*. Repair and rehabilitation property as defined in CBJC 69.10.025 for which an exemption application has been filed or granted is not eligible for this housing tax incentive. Submission of an application for exemption pursuant to this section shall automatically terminate any existing CBJC 69.10.025 application or designation for the property.

(d) *Application*. An application for an exemption under this section shall be made in writing to the Assessor's Office prior to issuance of a building permit for the residential units. Applications made after issuance of a building permit for the residential units shall not be accepted, or rejected if accepted. The application shall at a minimum contain the following:

(1) *Name*. The name of the applicant;

(2) *Address*. The legal description and street address of the property for which the application is made;

(3) *New residential units*. Drawings of the residential units that the applicant will construct, including a floor plan that includes approximate square footages;

(4) *Existing structures*. Drawings showing the square footage of all existing structures and structures to be constructed on the property;

(5) *Increase in residential units*. Plans showing the construction will increase the total number of residential units on the property;

(6) *Acknowledgement of liability*. Applicant acknowledges that the residential units will be taxable if and when the residential units are no longer eligible for tax exemption under this section; and

(7) *Economic development property justification*. A narrative describing how the application qualifies as economic development property consistent with A.S. 29.45.050(m).

(8) *Other information*. Other information as may be required by the Assessor.

(e) *Provisional approval*. The Assessor shall provisionally approve an application for tax exemption if

(1) The applicant submitted a complete application; and

(2) The applicant acknowledges it must

(i) Construct not less than the required residential units in accordance with the plans and drawings submitted with its application; and

(ii) Increase the total number of residential units on the property in order to receive final approval under this section.

(f) *Final approval of exemption.* The Assessor shall finally approve an application for tax exemption if

(1) The applicant has completed construction of residential units in accordance with the plans and drawings submitted with its application and a Certificate of Occupancy has been issued pursuant to Title 19 for each structure that contains a residential unit described in the application; and

(2) The total number of residential units on the property has increased.

(g) *Magnitude of exemption.* Consistent with this subsection, the total potential exemption shall not reduce the amount of taxes below the amount levied on other property for the school district's required local contribution under A.S. 14.17.410(b)(2). The taxes eligible for exemption under this section are those attributable only to the newly constructed residential units exclusive of previously existing residential units (whether remodeled or not), all non-residential improvements, and land. Except as provided by subsection (m), the magnitude of exemption shall be determined on a spatial basis as follows: the square footage of the newly constructed residential units shall be divided by the square footage of all structures on the property, then multiplied by the assessed value of all improvements on the property and by the mill rate applicable to the property.

(h) *Duration of tax exemption.* Tax exemptions approved under this section shall be for a period of 12 consecutive years beginning on January 1 of the first full calendar year after final approval of the application.

(i) *Recording of exemption.* The Assessor shall memorialize the terms of an exemption granted under this section in a memorandum recorded in the Juneau Recording District and kept on file in the Assessor's Office.

(j) *Termination of exemption upon reduction in number of residential units.* An exemption granted under this section shall terminate immediately if and when the number of residential units on the property is less than the number existing at the time of final approval of the application under this section. An exemption granted under this section does not terminate if the property or residential unit is sold and the new owner continues to comply with this section.

(k) *Appeal.* Any decision of the Assessor under this section may be appealed to the assembly in accordance with CBJC 01.50.

(l) *Annual compliance and status report.* Not later than March 31 of each year, the owner of the property for which an exemption has been granted, shall file with the Assessor a report with the following information:

(1) *Occupancy.* A statement of occupancy and vacancy of the residential units for the prior twelve (12) months;

(2) *Residential units remain as described*. A certification that the newly constructed residential units described in the application continue to exist and have not been converted to a non-residential use;

(3) *Further changes.* A description of physical changes or other improvements constructed since the last report or, on first report, since the filing of the application; and

(4) *Additional information.* Any additional information requested by the Assessor.

(m) *Late-file penalty*. The failure for the owner to file the annual compliance and status report by March 31 shall result in ten percent reduction of the taxes exempted in the prior year.

(n) *Definitions*. In this section, the following definitions apply:

Previously exempt property means real or personal property exempt under CBJC Title 69 in the prior calendar year but taxable in the next calendar year.

Residential unit means a dwelling unit as defined by CBJC 49.80.120 and is either owner-occupied or only leased for periods of at least one month.

Senior citizen means a person who is:

(1) Sixty-five years or older; or

(2) At least 60 years of age and the widow or widower of a senior citizen who qualified for an exemption under AS 29.45.030(e) and CBJC 69.10.020(1)(A)(i) and (ii).

Widow or widower means a person whose spouse has died and who has not remarried.

Assisted living means a facility providing housing and institutional care for people unable to live independently or without assistance. Assisted living includes facilities that provide nursing care services.

Section 3. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of __________, 2020.

____

Beth A. Weldon, Mayor

Attest:

____

Elizabeth J. McEwen, 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
Fax (907) 586-5385

Date: August 10, 2020
TO: Lands Committee
CC: Public Works & Facilities Committee
FROM:
Jill Maclean, Director, Community Development Department
Scott Ciambor, Chief Housing Officer

Re: Anchorage Downtown Tax Abatement Program Update

Dear Committee of the Whole:

In January 2019 the Municipality of Anchorage passed an ordinance to incentivize downtown housing development through tax abatement. The ordinance authorizes property tax exemptions for construction of new residential units, provided a minimum of four, in the Central Business District.

These are the results of the program as of August 1, 2020:

Several applications were approved in 2019-2020:

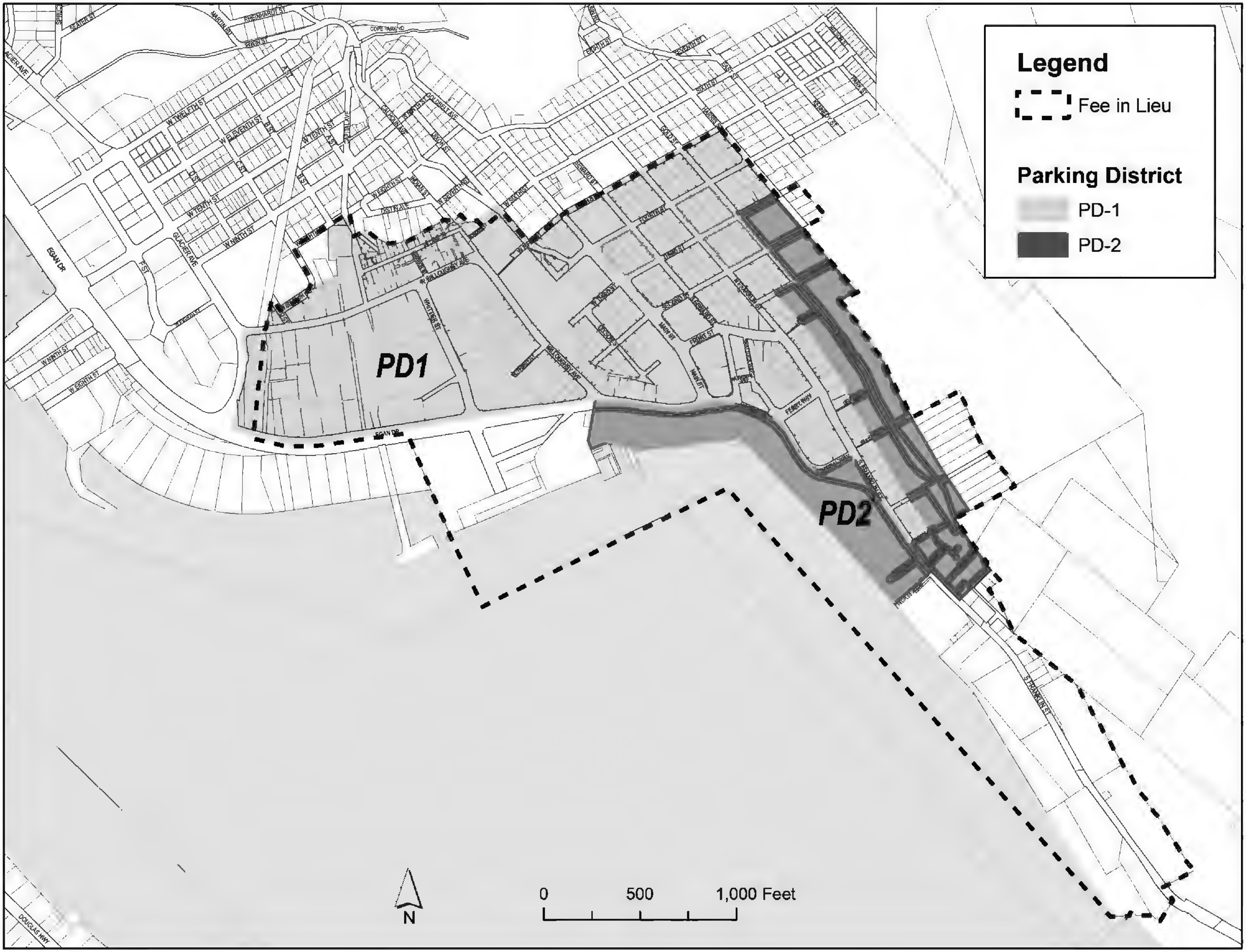
- Conversion of one floor in a 3-story commercial office building (9 units);
- New construction mixed-use apartment building (18 units);
- New construction condos and townhomes, multi-year/multi-phase (24 units); and
- New construction condos and townhomes, multi-year/multi-phase (8 units)

Several projects were initiated before the deadline and did not receive the tax abatement;

- New construction mixed-use, mixed-income apartment building (50 units)
- Renovation of former hotel into apartments (27 units)

At least two projects are expecting to use the incentive in 2020 but have been delayed by COVID:

- New construction mixed-use hotel/apartment building (27 units); and
- Public-private project (one floor of heated garage parking with three to four floors of residential housing above) that will result in 39-52 market rate studio apartments.



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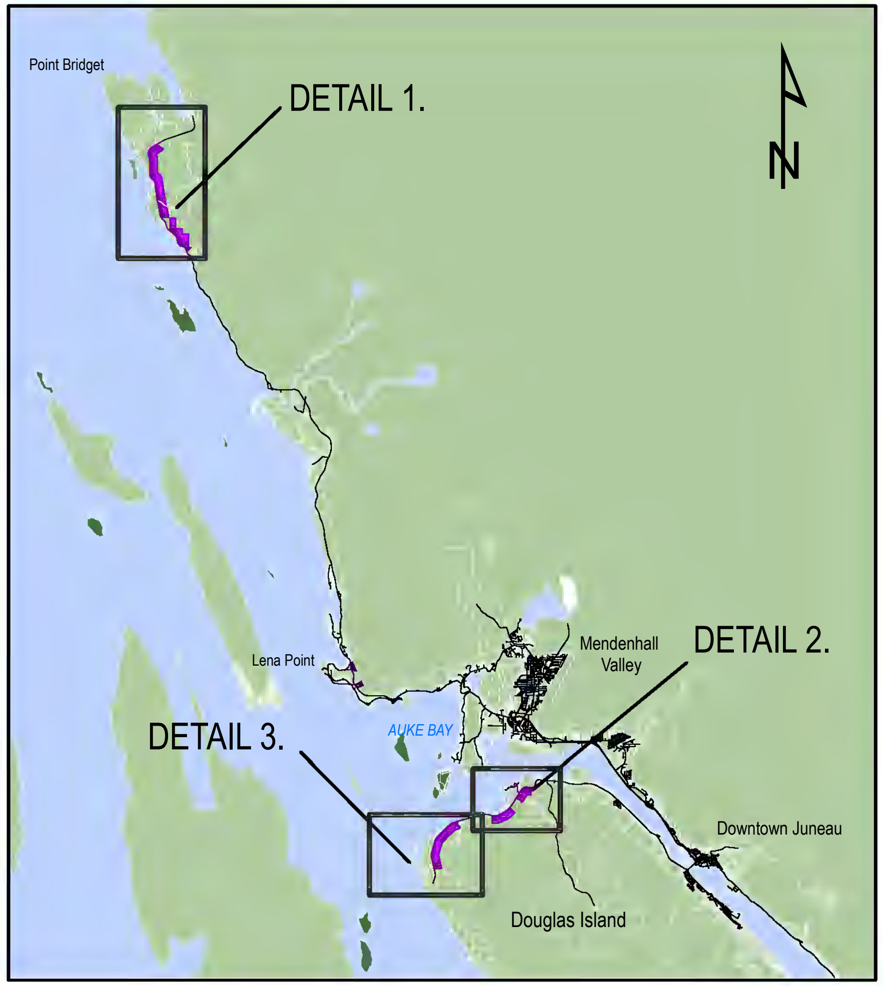
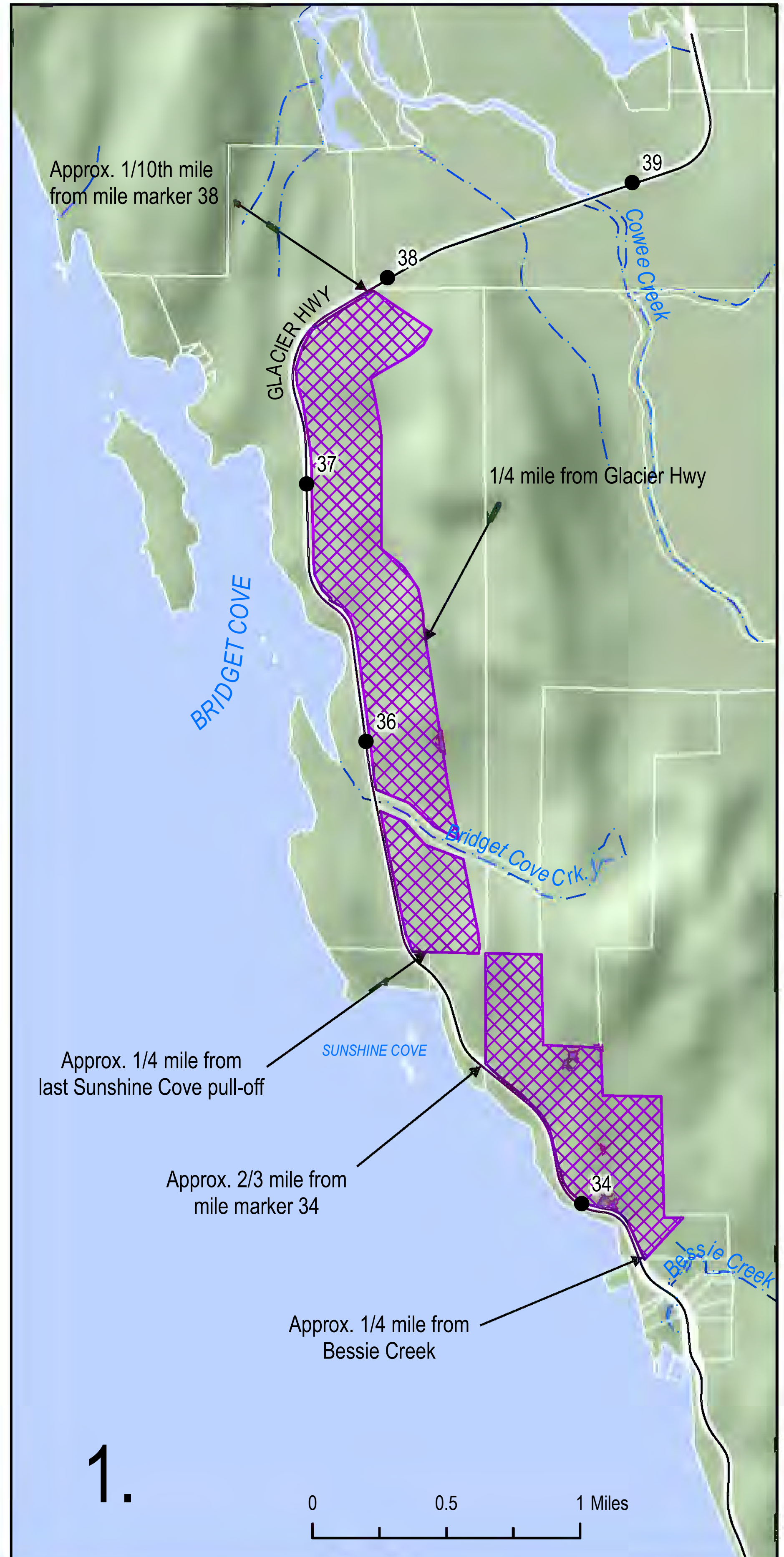
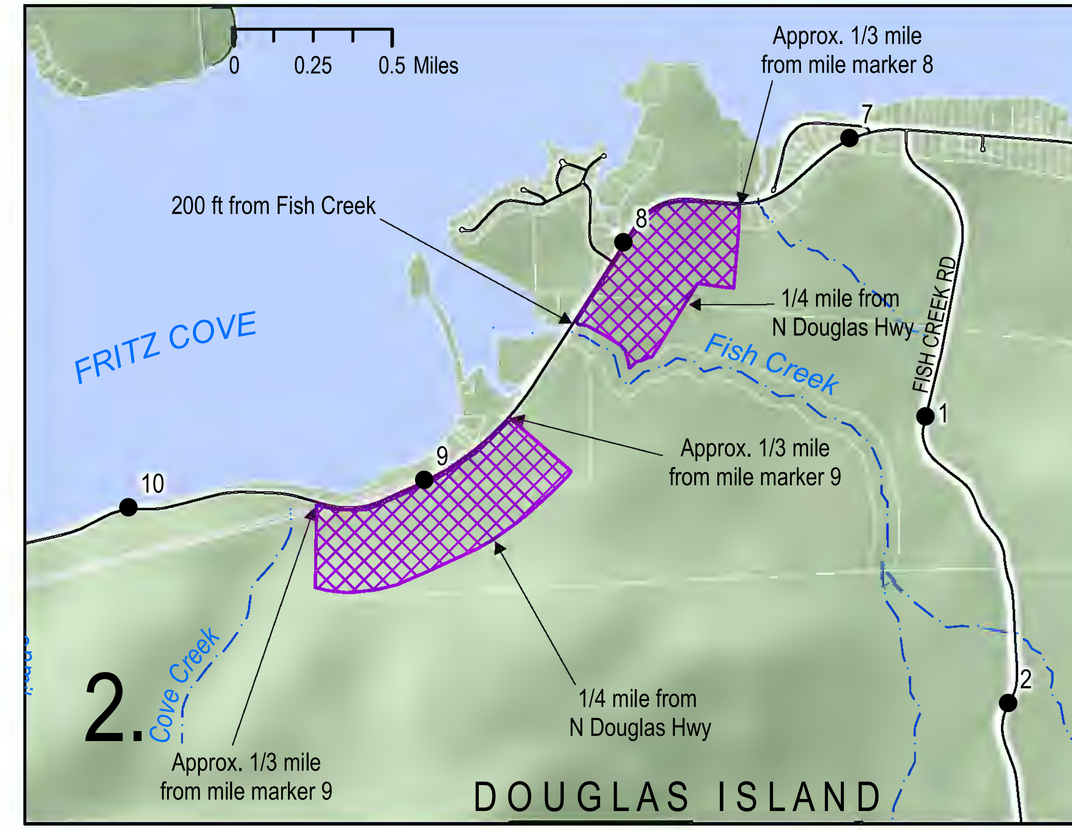


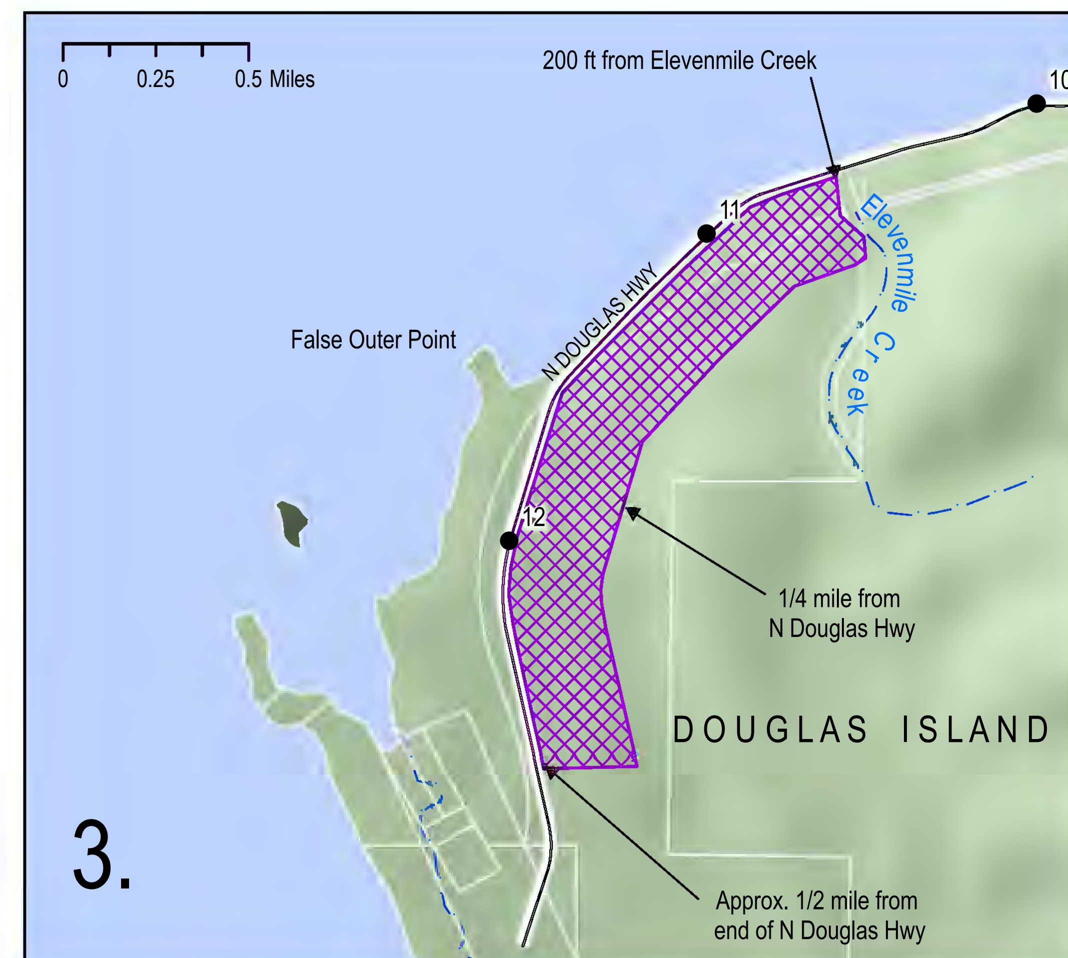
WOOD CUTTING AREA MAP

● Mile Marker	This map is not a survey quality representation. It is intended for general reference only. The CBJ assumes no responsibility for errors, omissions, or positional accuracy of features on this map.
Wood Cutting Area	

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY







Project source: P:\quinn\Projects\LANDS\wood_cutting_2015.mxd