ASSEMBLY STANDING COMMITTEE MINUTES
LANDS AND RESOURCES COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
December 7, 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, Dan Hickok Planning Commission, Chris Dimond, Docks and Harbors

Liaisons Absent: Dan Hickok Planning Commission, Chris Dimond, Docks and Harbors

Other Assembly Members Present: Mayor Beth Weldon, Loren Jones, Carol Triem

Some Members of the Public Present: KTOO representative, KINY representative

Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Jill Maclean, CDD Director; Scott Ciambor, Chief Housing Officer; Rorie Watt, City Manager; Beth McEwen, City Clerk; Jeff Rogers, Finance Director; Robert Palmer, City Attorney

II. APPROVAL OF AGENDA

Agenda was approved as presented.

III. APPROVAL OF MINUTES

November 9, 2020 Draft Minutes were approved.

IV. PUBLIC PARTICIPATION

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

V. AGENDA TOPICS

A. Discussion of Committee Scope

Chair Gladziszewski opened up this topic for discussion of alternatives for the Lands Committee including a proposed name change for this committee “the Lands, Housing, and Economic Development Committee”. Alternatives include dissolving the Lands Committee and move its work elsewhere, changing the scope of the committee or a discussion on what this committee should focus on. The proposal adds the promotion of a vibrant and diverse local economy. This already had promotion of housing in its scope, as outlined in items (a) through (d) on page 6 of the agenda packet. The Assembly goals have been adopted and can be included in this discussion.

Mr. Bryson asked how much resources, time, energy, printing material, go into every Lands or Public Works meeting and what additional costs go into every Lands Committee meeting. Mr.

Watt replied that this was a difficult question. There is the production of the packet after the agenda items have been established, and there is a lot of time figuring out what to present to the Assembly, how much information is relevant, what their role is, and determining if the item is a one meeting topic or will require multiple meetings. This question also depends on the Assembly's engagement. The mechanics of the packet, printing and putting it together are relatively straightforward, but only if we know where we are heading with the packet. It is trying to align the Assembly's expectations with the right amount of information. Mr. Bryson followed up to ask that if there was no Lands Committee and that responsibility was divided up, how often now does a topic go to both the Lands Committee and Public Works or does a topic often stop in both places or are some items usually just Lands specific. If this committee were reduced, would that make it more expedient for staff to head in the right direction with less points of contact with the Assembly and would that make it more efficient or slow things down for staff. Chair Gladziszewski commented that her recollection from being on Public Works was that it was not very often that items overlapped. Mr. Watt replied that rarely does something go to both committees. Mr. Watt noted that over the years, we have become less disciplined at working in subgroups and if Lands Committee were to be eliminated from a staff perspective, they would be frustrated. Staff has many things they want to work on and get in front of the Assembly to move things forward. Not every Assembly member has the time or inclination to become an expert on every issue but by breaking into work groups an Assembly member that wants to be part of an issue should show up and make their ideas known so that smaller committees can deliver a finished product to the Assembly.

Mr. Smith likes the proposed name for the Committee and focusing on housing and economic development makes sense in that the smaller work group effort of the committee is a good way to move forward and is in support of the changes.

Ms. Hughes-Skandijs noted that looking at the short-term goals, the name change is fine and it goes along with the outlined initiatives, gives the Committee more ownership, and feels that this is the correct scope for this Committee.

Chair Gladziszewski commented that she wanted to make sure we had this conversation in that is we need a committee then to have one otherwise we should not have one. It sounds as though everyone agrees this is good work and everyone agrees to continue on this way.

Mr. Mertl commented that as a liaison, a lot of the issues had previously been about land and if the goal and intent now to start focusing on economic development and financing proposals that come through the committee, as a liaison, what would our roles and responsibilities be as we change to include more economic development. Chair Gladziszewski commented that we also need to discuss whether the three current liaisons are still needed, do we need more, less, or different representation. If the proposed work is to be conducted, who needs to be at the table. It sounds like the Committee is in agreement about the proposed work and if we do the outlined work and highlighted Assembly goals how would that reflect on the liaisons. Mr. Mertl followed up by asking what the Chair anticipates coming to this Committee for economic discussion beyond land issues and what the role of the Committee would be as far as economic development. Chair Gladziszewski replied that Assembly had paid tens of thousands of dollars a few years ago to write plans for economic development and for a housing action plan and the Assembly would want this Committee to work through those plans and try to move those forward. This is not the Lands Committee anymore and if decided, would be the Lands, Housing and Economic Development Committee.

City Clerk Beth McEwen asked if there would be any language in the resolution in regards to the liaisons as the Assembly has liaisons assigned to Enterprise Boards and none of the standing committees mention that liaisons serve on standing committees. Having it spelled out would be helpful for clarity purposes.

Mr. Bryson asked if we are setting the rules for liaisons to stipulate what is expected of them. Chair Gladziszewski commented that this should be discussed in the Human Resources committee as that is the behavior of the liaisons and commented that we should defer the discussion about liaisons at a later committee.

Motion passed for the Lands Committee to introduce a resolution to the Assembly to change the name to the Lands, Housing, and Economic Development Committee and to add a new subsection, (e) Promotion of a vibrant and diverse local economy.

B. Application to Acquire Telephone Hill Properties

Mr. Bleidorn discussed this item. 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.

A motion of support from the Lands Committee for a resolution in favor of the City applying to acquire the Telephone Hill properties from the State passed.

C. Downtown Tax Abatement

Scott Ciambor and Jill Maclean discussed this item from the Housing Action Plan. Mr. Ciambor noted that this was a continuation of the same topic discussed back in August of this year. The Upstairs Downtown Housing item was an inventory project designed to dive a little deeper into housing issues downtown. In the packet there is a draft downtown housing tax abatement ordinance, a memo on the update of Anchorage's Downtown Tax Abatement Program, and discussion on the downtown fee and lieu map. All of these items impact the Assembly goals for 2021 and implement components of the Economic Development Plan, the Housing Action Plan in regards to housing downtown, and the Affordable Housing Fund. During the Upstairs Downtown Housing Inventory, there has been a lot of encouragement for housing development over the years and the need for development. Challenges that have been identified and re-identified with the need to take substantial action for housing development. Some strategies that have been identified in the Housing Action Plan include setting a goal for the number of downtown units; inventory of the vacant, blighted, and abandoned housing units; reviewing the parking ordinance to promote development; implement a blighted area ordinance; market development opportunities to outside developers and financiers or provide land, such as 2nd and Franklin; and to develop incentives to upgrade and develop housing units.

Ms. Maclean gave an update on the Upstairs Downtown Housing Story Map project from August. This was the downtown inventory that the Assembly had asked CDD and Housing to look at, the upstairs of the structures of the downtown area. Key points from this exercise include that there are only 181 housing units in the study area, which has the characteristics of a business district; the demographics in downtown housing are 18 – 49 year olds; since 2017, there have been no new housing units developed in the study area; the age and condition of the buildings continue to be pros and cons; the majority of the properties are locally owned; significant barriers to housing development include the avalanche and mass wasting zones, flood zones and parking; and there are 37 short-term rentals currently registered on Airbnb/VRBO. These are all pre-COVID numbers. Chair Gladziszewski asked about the 181 units, where are they located and what about the properties that used to be housing. Ms. Maclean replied that these are just current units with housing including Franklin Street, Marine View to the Willoughby District and up the hill to Fourth Street to include the Mendenhall Apartments.

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. Staff anticipates T49 making a recommendation to the Commission COW at this meeting, which would likely occur in January. Main items that are being looked at are to revise the fee and lieu (FIL) district and to review and revise the parking waivers. Parking waiver revisions include eliminating the PD1 and PD2 overlay districts; keeping the FIL overlay district; use the FIL boundary for the FIL and parking waiver district; update the parking waivers borough-wide to streamline the process; and to revise the parking waivers to have an automatic reduction.

Ms. Hughes-Skandijs asked for an explanation on parking. For example if I needed 100 parking spaces, then 25 would fall under the reduction percentage. Ms. Maclean confirmed that you would still be responsible for the 25 parking spaces for the downtown core and you would pay the FIL on the 25 spaces.

Mr. Bryson commended staff for trying to streamline the rules but noted that there was still a problem with lack of available spaces to park downtown and asked how have developers and contractors responded to the parking language. Ms. Maclean replied that this proposal has not happened yet and the number one recommendation coming out of T49 is that the Assembly direct staff to look at parking management and the parking system. Staff believes that there is a perception that there is not enough parking downtown, in that it may not always be possible to park right outside of the building one wants to enter. In larger cities, such as Seattle or Vancouver there is not a perception that you can park right outside of the building you want to enter, or even in the Valley where you would park outside of the mall. The idea is that the fees will go into the general fund and if we end up needing surface parking the funds would build up.

Mr. Ciambor discussed Downtown Tax Abatement. This model is similar to the Anchorage Downtown Tax Abatement program with key differences being 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 in the FIL parking district. The reporting of the use and effectiveness of tax abatement will be part of the implementation. The five key areas of putting together a tax abatement program include what types of housing is available, what is the targeted area, the length of the tax exemption, what is the tax exemption coverage, and is there an affordability requirement. The tax abatement will be on new units only that are determined with a formula of the assessed value and a portion of that would be exempt for a period of 12 years. The target area downtown for FIL includes the housing inventory area and extends to the Willoughby District, and encompasses the downtown core.

Mr. Smith asked what new units meant. Ms. Maclean replied that new for the purposes of tax abatement means a unit that had not previously existed as housing, which could also include a housing unit that was condemned or new development. Units that fall under the Upstairs Downtown that need renovating would more appropriately fall under the Housing Fund.

Mr. Bryson recommended holding this item in Lands to continue with work on this item and to discuss any unintended consequences and the area of parking has still not been solved. Chair Gladziszewski agreed that we should spend time on this item and the Housing Action Plan at the next meeting. Ms. Maclean commented that if we bring this item back there should also be a discussion on the Housing Fund, as one item works for new units and the other the Housing Fund is local and under the Assembly's authority and has the ability to be pushed out to the private sector to renovate buildings.

Mr. Mertl wanted parking to be discussed as a continued topic as there may be a perception issue with parking but there are challenges to parking downtown and its management.

Mr. Smith wanted to know more about the Historic Tax Credit and what are the incentives currently to develop housing to add to the next meeting.

Staff requested a motion of support for the Assembly to adopt an ordinance initiating a Downtown Juneau Tax Abatement program as presented. No motion issued, the topic will be continued at the next Lands Committee Meeting on January 11, 2021.

VI. STAFF REPORTS

A. Mendenhall Valley Air Quality Program Update (verbal)

No time for discussion.

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

No comments or questions.

VIII. ADJOURNMENT

Chair Gladziszewski adjourned the meeting at 5:58 PM.