

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

March 2, 2020, 5:00 PM.

Assembly Chambers - Municipal Building

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

- A. February 10, 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. Downtown Housing Inventory
- B. Sale of Gravel for Housing Development
- C. Driveway Easement across CBJ Land/North Douglas Island
- D. Downtown Summer Shelter - Thane Campground Relocation
- E. Variance Discussion
- F. Expanding Fire Service Area - Continued

VI. STAFF REPORTS

VII. LIAISON COMMENTS / COMMITTEE MEMBER AND QUESTIONS

VIII. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. 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
February 10, 2020, 5:00 P.M.
City Hall, Assembly Chambers**

I. ROLL CALL

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

Members Present: Chair Rob Edwardson, Alicia Hughes-Skandijs, Greg Smith

Members Absent: Carole Triem

Liaisons Present: Chris Dimond, Docks and Harbors; Paul Voelckers, Planning Commission; Chris Mertl, Parks and Recreation

Liaisons Absent: None

Other Assembly Members Present: Mayor Beth Weldon; Loren Jones

Some Members of the Public Present: Charles Murphy, KINY; Greg Weinert, State of AK DOT&PF; Chris Goins, State of AK DOT&PF; Bill Heumann, Chilkat Vistas, LLC

Staff Present: Greg Chaney, Lands Manager; Dan Bleidorn, Deputy Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Fire Chief Rich Etheridge, Michele Elfers, Deputy Directory Parks and Recreation; Jeff Rogers, Finance Director; Robert Barr, Acting Public Works Director, Mila Cosgrove, Deputy City Manager

II. APPROVAL OF AGENDA

Chair Edwardson moved item B, Expanding Fire Service Area, to the end of the Agenda List, as item E. The agenda was approved.

III. APPROVAL OF MINUTES

The January 06, 2020 Draft Minutes were approved.

IV. PUBLIC PARTICIPATION

No public participation.

V. AGENDA TOPICS

A. Property Tax Foreclosures

Chair Edwardson noted that he would be looking for a motion to either pass a recommendation, or none, to the Assembly. Mr. Chaney introduced the three properties that have delinquent property taxes. Every year at the end of the property tax cycle, any properties that have unpaid property taxes for three consecutive years (in this case since 2017), will be foreclosed upon and a Clerk's Deed is issued to the City from the State of Alaska.

In November 2019, the City and Borough of Juneau received the Clerk's Deeds for the following properties that had not paid property taxes for three years:

Ronald Vavalis \$7,812
 Parcel Code Number 4B1701140090
 2551 Engineers Cutoff

William Zeman \$2,434
 Parcel Code Number 2D050K020020
 2358 Old Lawson Creek Road

Steven Baker \$17,541
 Parcel Code Number 4B2801040260
 12280 Glacier Highway

State law concerning property taxes is very clear. If the properties are not needed for a public purpose, the municipality can sell them, however the municipality only retains the value of the outstanding taxes, fees and interest. If the properties sell for more than this amount, the remainder is forwarded to the former owner. If the former owner cannot be located and does not come forward to claim the proceeds, the extra funds are sent to the State of Alaska. If at any time up until the day before the sale, the former owner pays the outstanding balance, the property is returned to them.

Lands staff have been in communication with two of the property owners, Ronald Vavalis and William Zeman. Both parties have expressed interest in paying off the property taxes and reacquiring their properties. The Zeman property is a duplex that is being rented. Mr. Zeman inherited the property after his parents and brother had passed away. He has made partial payments and it seems likely that this debt will be settled and it is anticipated that there will be no foreclosure sale for this property.

Mr. Vavalis has stated that he may have assets that could be sold to pay his property taxes but this is uncertain. Mr. Vavalis mentioned that he is in extremely poor health and has several outstanding expenses with very limited means. If a foreclosure sale were to proceed, he would probably end up homeless. Staff takes this very seriously and has been in touch with Alaska Legal Services to try to find him representation as well as some social services organizations.

The Steve Baker property has a house on the lot that is unoccupied and the owners have not responded to repeated attempts by City staff to reach them. The house has been broken into and the property has been the subject of multiple nuisance complaints received by the Community Development Department over the course of the last year. Staff has reached out to other family members and they have said that the owner has left the state and has not been reachable for some time. Because the owner of this property has been non-responsive, it is likely that these property taxes will not be paid. One unique aspect of the Baker property is that the Engineering and Public Works Department has asked that prior to selling this lot, a public easement should be retained for utilities along the front property line.

The next step for these lots is for ordinances to be introduced to the Assembly authorizing the sale of these properties for delinquent property taxes. Staff requests a motion of support from the Lands Committee for ordinances to be drafted and sent to the Assembly for the disposal of these properties for delinquent property taxes. An alternative motion would be to request an ordinance to dispose of Steven Baker's property for delinquent taxes to be drafted and sent to

the Assembly and to have Lands Committee requests staff bring an update concerning the status of the Zeman and Vavalis delinquent property taxes to the next Lands Committee.

Mr. Merti inquired how long Mr. Chaney has been in contact with the three parties as was stated that the process takes 3 years. Mr. Chaney replied that he has only been engaged with the parties since November. The 3-year process is composed of starting in Finance's hands, then Law and the Clerk's Deed before reaching Lands.

Ms. Hughes-Skandijs asked about the Vavalis property, if it was staff's desire to have him speak to the Committee to provide an update and if there were extenuating circumstances in unusual cases where the City did not do a foreclosure sale. Mr. Chaney replied that the City has extended the opportunity for someone to payback his or her property taxes with an approval of an ordinance. So instead of holding a foreclosure sale in, say January, it could be decided to hold a foreclosure sale in July to give the individual the opportunity to pay off their property taxes. This has worked in the past but it is uncertain that it will work in this case and it would be nice if Mr. Vavalis would receive some sort of legal representation although that is not required.

Ms. Hughes-Skandijs asked about the Baker property, if the public easement will be retained, if anything needs to be done in Law or CDD or through an ordinance. Mr. Chaney replied that would be part of the ordinance language. Engineering has requested to keep a strip along the front of the property to put utilities in for the future.

Mr. Smith asked if there is a process to contact the property owners. Mr. Chaney explained that there is a process to contact property owners and commented that he was not recommending to not hold a foreclosure sale, but wanted to address the timing issue. In particular, the Baker property has been non-responsive and is a public hazard and he recommended that the City should proceed with this one.

Mr. Merti commented he supports the motion to proceed with an ordinance for the Baker property and appreciates that Mr. Chaney has been working with the other two property owners and would like to see that conversation continue to try and work with Zeman and Vavalis to have them keep their properties.

Ms. Hughes-Skandijs moved that Lands Committee requests an ordinance to dispose of Steven Baker's property for delinquent taxes be drafted and sent to the Assembly and requests staff to bring an update concerning the status of the Zeeman's and Vavalis' delinquent property taxes to the next Lands Committee. Motion approved.

B. State of Alaska DOT request for Acquisitions and Easements in Lemon Creek

Mr. Bleidorn discussed the application from the State of Alaska Department of Transportation and Public Facilities (DOT&PF) who have requested the acquisition of four fractions of City owned property, totaling 2,368 square feet, near Switzer Creek. The application also includes a request for permanent easements and for temporary construction easements (TCEs) on City property. The DOT&PF proposes to resurface and improve Glacier Highway from Vanderbilt Road towards the old Walmart property. The purpose of this project is to improve the flow of vehicular traffic including public transit, and to make the road more accessible to pedestrians, including those with disabilities. The

application states that the project is needed due to inadequate pedestrian crossings and travel lanes.

Portions of four CBJ properties are needed for this project. Parcel No. 24 request is a fee acquisition, containing approximately 1,419 square feet and it is needed for road construction. This is an unusual property because it is legally a lot but is being used as the Renninger Street right-of-way. The sale of this property to DOT for right-of-way purposes will normalize the property's legal status.

Easement 24 is a permanent easement, containing approximately 41 square feet, needed for overhead power. TCE-24 is a Temporary Construction Easement (TCE) containing approximately 3,894 square feet and is being requested for access and driveway reconstruction. TCE-24A is a Temporary Construction Easement containing approximately 9,359 square feet needed for road construction. Because Renninger Street currently consists of a parcel of City property and not as a dedicated ROW, the DOT is requesting to value Parcel 24 using a waiver valuation rather than an appraisal.

Parcels 26, 27 and 28 contain a combined area of 949 square feet for acquisitions and 1,619 square feet for TCEs. Parcel 26 will be used for cut and fill improvements; Parcel 27 will be used to construct a sidewalk and cut/fill improvements; Parcel 28 will be used to construct a sidewalk and install a light pole. The TCE's will be in effect from the start of construction and end upon project completion.

Mr. Mertl asked to clarify that parcels 27 and 28 are parkland. Mr. Bleidorn confirmed and noted that this item went to the PRAC for review. Parcel 26 is in wetlands and there was an environmental review conducted before going to the Lands Committee meeting. Mr. Mertl commented that the PRAC recommendation included revegetation and scope. Mr. Bleidorn noted that the PRAC recommendation would be discussed in the Mendenhall Valley request. Chair Edwardson asked Mr. Mertl to clarify. Mr. Mertl commented that this proposal was approved but there were some general recommendations for management operations.

Lands staff recommends that the Lands Committee pass a motion of support for disposing of City property for road construction purposes by negotiated sale, and by granting easements to the ADOT&PF. Motion was approved.

C. State of Alaska DOT request for Acquisitions and Easements in the Mendenhall Valley

Mr. Bleidorn discussed the application from the State of Alaska Department of Transportation and Public Facilities (DOT&PF) who have requested the acquisition of two fractions of City owned property. The application also included a request for permanent easements and for temporary construction easements on City property. DOT&PF proposes to resurface and improve Mendenhall Loop Road to improve traffic flow, pedestrian and bicyclist safety and to update existing infrastructure to current standards.

Of the CBJ property that is needed for this project, Parcel 6 is on Parks managed property and is substantially encumbered by the Duck Creek flood zone. This property is located immediately northwest of the Stephen Richards and Mendenhall Loop Road intersection and was donated to the City in 2006 and designated as part of the Duck Creek Greenbelt in

the 2016 Land Management Plan. The DOT&PF has requested the acquisition of 7,878 square feet of this greenbelt, which is needed for road construction. Also being requested is a permanent easement containing 459 square feet, and a temporary construction easement containing 1,543 square feet.

Chair Edwardson asked for the presentation to stop in between discussing parcels 6 and 14 for questions.

Ms. Hughes-Skandijs asked about the revegetation that was intended for these parcels, if it applies to the first parcel or does it apply to the second parcel. Mr. Bleidorn replied that the four conditions discussed at the PRAC and have been agreed upon by the DOT&PF.

Michele Elfers, Deputy Director, Parks and Recreation Department, consulting with the Alaska Watershed Council, reviewed this request and recommended that four conditions be placed on the acquisition in order to protect valuable habitat at this site. The PRAC provided a positive recommendation that included these conditions as well as the condition that Park and Recreation staff agree to any changes that may be negotiated.

The first condition is that any fill placed in this area will be placed at a 1:1 slope to minimize the fill footprint and loss of habitat. This construction will be completed by the DOT&PF, who have submitted an updated design drawing to show the new slope. The DOT&PF has also included condition four into their design, which states that the DOT&PF incorporate green infrastructure for stormwater control along this park property and that no piped stormwater shall enter the property from the road.

The DOT&PF has agreed to pay for the cost of satisfying the two remaining conditions; to remove pavement and fill along the north end of the property and to construct a shallow wetland pond to provide rearing and overwintering fish habitat adjacent to the creek. The CBJ will use the DOT payment for the requested mitigation. The DOT&PF has offered \$24,175 as an administrative settlement, in addition to purchasing the property and easements for fair market value, as determined by appraisal for this property. Michele Elfers, consulting with the Alaska Watershed Council, calculated the cost of mitigation.

Chair Edwardson asked if there would be any greenbelt left at the end of the project. Mr. Bleidorn confirmed and noted that the remainder of the City property will be wetlands, especially the closer you get to the stream.

The second property, Parcel 14, is located at the intersection of Mendenhall Loop Road and Floyd Dryden Middle School. The DOT&PF has requested the acquisition of 17,172 square feet, as well as two temporary construction easements, one for 4,253 square feet and another for 414 square feet. This property is managed by the Juneau School District and is the location for the Floyd Dryden digital sign. The DOT&PF offered \$15,000 to relocate the electronic sign in addition to fair market value as determined by appraisal.

Mr. Mertl asked where Duck Creek is located on the properties. Mr. Bleidorn noted the location on the PowerPoint slide maps. Mr. Mertl followed up with a note about from the January PRAC meeting and that there was to be stream restoration done on Duck Creek as part of the fair trade that PRAC proposed. Mr. Bleidorn commented that this summarization is correct and that the DOT has agreed to all four conditions of the trade.

Mr. Smith appreciated the City and State's attention to the conservation of habitat.

Chair Edwardson asked how the crosswalk would function during construction near Floyd Dryden. Mr. Bleidorn invited Chris Goins from ADOT to comment. Mr. Goins indicated that there are approximately four phases of construction. He indicated that the State would need to flip back and forth on pedestrian management strategies during the course of the project. The State is required to keep pedestrian traffic flowing at all times and a traffic control plan will be supplied to the contractor along with phasing plans. The hope is that this would be constructed during those four phases and essentially the first strategy would be to try to build outside of the school season. The traffic would be split during the construction with half of the traffic going out toward the glacier but the pedestrian traffic may also be flipped around during construction. This may be a two-year construction, depending on funding.

Mr. Mertl asked Mr. Goins about the roundabout that is going from State to City, what will be done about winter maintenance and how far would the plowing go into the school? Mr. Goins replied that typically the State would plow through the roundabout, including the crosswalks. The plowing would go into the school far enough to turn around but there could be arrangements with the school at a later date for plowing.

Mr. Mertl commented that the recommendation from PRAC for the four conditions should be added to the motion; Chair Edwardson confirmed that these conditions were part of the motion.

Staff recommends that the Lands Committee pass a motion of support for disposing of City property by negotiated sale, and by granting easements to the ADOT&PF with the conditions of a 1:1 slope minimization to minimize fill footprint and habitat loss be completed by the ADOT&PF, for the ADOT&PF to pay for the pavement removal along the north end of the property and to construct a shallow wetland pond to provide rearing and overwintering fish habitat adjacent to the creek. Motion passed

D. Private Gravel Sale Request

Mr. Chaney introduced this request. On February 2 (2020) the City Manager and Assembly received a letter from Bill and Michael Heumann, Managers of Chilkat Vistas LLC, requesting to purchase pit run (unsorted sand and gravel) from one of the City's Lemon Creek gravel pits at the City's reduce project rate for Chilkat Vistas LLC's housing project. This project could ultimately include development of several hundred housing units adjacent to Mountainside Estates.

It has been CBJ's policy to retain sand and gravel for public projects to ensure a reliable supply for City and State projects. This is within the Manager's realm to manage but considering the public policy ramifications, the Manager requested that we receive input from the Committee and ultimately the Assembly.

An analogy related to this situation is a story from India where three blind men are touching an elephant, all in different locations and as a result, their perspectives of how to interpret the elephant are all different is similar to this situation. The Juneau Housing Plan, adopted by the Assembly in 2016, had observed that Juneau has suffered from a chronic housing

shortage for decades. The primary recommendation from that plan was to increase the supply and diversity of housing, with a primary focus on building workforce housing. Workforce housing defined as homes that are usually purchased by working professionals. The high cost of housing has delayed homeownership in Juneau and many people have to wait until late in their careers to buy homes, which makes saving for retirement and building wealth difficult. One simple way to help increase the supply would be to make it easier to build housing in Juneau. One significant cost of housing development is good quality fill and the City has a large supply. This is one of the very few ways that the City can support housing without spending cash. By contrast, the recent support for the senior housing facility included a \$2 million cash grant.

The biggest source of rock material for the City is the Stabler Rock quarry, a large operation that has been in production for the last 20 years. Over this time, the City has shifted from using gravel, or pit run for road construction, to crushed rock. Pit run is material that you scoop up out of a pit, put in a truck and send off to be used. The City's accounting has not quite caught up with the minutia of this change. Our gravel pit manager has slowly been migrating to hard rock with the costs involved still being allocated to the gravel pit. This accounting does not make any difference to anyone but us, but when asking the sand and gravel guys to estimate the costs of pit run, we received a high number. Part of this is due to our internal accounting whereas a further forensic accounting needs to be applied to these numbers.

CBJ has developed two gravel pits in the Lemon Creek Valley. One is located behind Costco and the other is behind the Lemon Creek Correctional Facility. These gravel pits have been developed at considerable expense over time to provide a steady supply of sand and gravel for public projects at an affordable rate. This material has a lot of silt in it and the North Lemon Creek material source has been built for better material. If the City decides to sell the material to the developer at the public project rate then we will be in competition with the private sector. It takes a lot of resources, money and time, to develop gravel pits before receiving a return. The private sector is generally not happy when the City gets into their business.

The primary reason for the City's policy of not selling material to the private sector is that, unlike hard rock, in Juneau well-sorted deposits of sand and gravel are finite non-renewable resources. ADF&G has decided it is acceptable to extract material from the bed of Lemon Creek. Lemon Creek is not really creating new gravel but it is moving it downslope for easier access. A side benefit is that if no extraction is done, then Lemon Creek's channel will fill up with gravel and the river will flood.

Chilkat Vista's request to purchase gravel at the public project rate is a straightforward way for the Assembly to provide an incentive for workforce housing without spending cash. The other side of this is that, if this is approved, this should be considered a public policy and not a one-off approval to keep things fair for other homebuilders. If the Committee directs us, staff can come back to the next Committee meeting to discuss the concept further. If the Committee feels that we should not do this, then staff could relay to the applicant that their request cannot be accommodated at this time. If the Lands Committee is interested in granting Chilkat Vistas LLC's request to purchase City pit run at the public project rate, it

seems appropriate to develop a uniform City policy that would allow other private sector operators to buy material from CBJ's Lemon Creek material sources in a consistent manner.

Since selling public resources to for-profit companies is a public policy decision, Lands staff is seeking direction from the Lands Committee. There are two options:

- Considering that selling CBJ gravel resources to a private entity is a complex topic, if the Lands Committee is interested in authorizing the sale of Lemon Creek pit-run to Chilkat Vistas LLC as requested, a well-considered public policy should be developed that could be uniformly applied to similar requests. If directed by the Lands Committee, Lands staff will provide an in depth presentation about this topic at a Lands Committee meeting in the near future.
- Alternatively, if the Lands Committee feels that the CBJ should continue to reserve City gravel resources exclusively for public projects, then Lands staff will communicate to the applicant that their request cannot be accommodated at this time.

Ms. Hughes-Skandijs asked about the applicant's letter and that the Stabler's quarry is selling rock to the public at a low rate and it would make sense that CBJ should make pit run at Lemon Creek available at the low rate as well. Mr. Chaney replied that this is an interesting difference in our policy in that we have allowed hard rock to be sold to anyone at a consistent rate because hard rock is basically unlimited in Juneau, although it needs to be quarried and it is expensive to process. Gravel is limited in that once you dig it out; there is no more, although there may be a larger supply than was previously thought because now we can mine the riverbed.

Mr. Dimond asked if there was any sort of guarantee that cost savings would be passed on to future homeowners. Mr. Chaney replied that he had talked to the developer about this and the market would force him to pass the savings on to the consumer but no documentation was provided to show this cost savings. Mr. Dimond followed up asking if there is any type of estimate for cost savings. Mr. Chaney replied that it depends on the lots, as some would require more fill than other lots, so any cost savings estimates would be preliminary at this point.

Mr. Smith asked if the City has an inventory of gravel and sand resources and how access, management and pricing are done. Mr. Smith commented he is in favor of reducing the cost of housing in Juneau but is not aware of the resources that the City has. Mr. Smith is also interested in determining a sense of scale. Mr. Chaney replied that the City has conducted community wide surveys for sand and gravel resources. Several factors influence the cost of gravel. As significant cost is related to distance, with expenses relating to trucking the material. People have paid more per ton for resources that were closer since the costs more to ship or transport the material. There is also the extreme difficulty of permitting a new material source, it is hard to be approved, developing a pit or quarry is expensive and needs venture capital.

Mr. Mertl asked if staff has a sense of if this gravel is needed soon or is there time to develop a policy. Mr. Chaney replied that this is a project that is actively going on and if

approved the developer would use the product fairly soon. That said, they have a many-year horizon to develop many units and could use this product in the future. Mr. Merti followed up by commenting that he supports housing and anything we can do to reduce the price, but he struggles with the idea of opening Pandora's box, once you do this for one without a policy, then how do we say no or yes in the future without a policy established first? How do we make sure that there is a savings that will be passed on to the homeowner? There will be a profit no-doubt to be made on these, but how does the City quantify the savings?

Chair Edwardson recommended that Lands staff should prepare a more in-depth presentation based on the questions asked at this Committee and to have the Committee submit questions to the Clerk that may be included in this future presentation. At our next meeting when we talk about this, we can use this information to further our decision and if this were a policy change then it would not be made at the Lands Committee but go on to the Committee of the Whole. This is a public policy for all of Juneau, to use its resources.

Ms. Hughes-Skandijs asked to clarify that we would conduct a more in-depth conversation to ask questions and in the meanwhile, the applicant would know this is in discussion for the time being. Chair Edwardson commented that as this is on the agenda, more questions are coming up and there should be a framework to ask questions.

Mr. Smith asked if the process would be for the policy formation to gather more information to determine if we should consider this for a broader policy discussion. Chair Edwardson commented that we should proceed with framework for the questions and to ask and submit the questions so we do not all ask the same questions.

Chair Edwardson noted that the will of the Committee is that this item should come back with the questions sent to the Clerk. Mr. Chaney confirmed.

Mr. Smith asked if the applicant could come up for a statement and to note how much material they need right now. Chair Edwardson invited Mr. Heumann up to respond.

Mr. Heumann stated that they need gravel right away, that he appreciates the idea of a policy, and that his view is that the City should not have given money for senior housing. Chair Edwardson restated Mr. Smith's question, How much gravel does is needed for this current project? Mr. Heumann stated that right now he needs 500 truckloads. Mr. Smith followed up asking what kind of cost benefit would this come to an individual homeowner. Mr. Heumann replied that there are two elements to this, which they have 400 housing units to build, we have to finance these housing units, and we have sufficient financing to move along at a modest pace. This is just a function of costs as if we are able to reduce costs then we are able to procure more financing and build more housing and move along more quickly. The challenge for us is that with 400 housing units they could meet 80% of Juneau's housing needs. The question is how fast we could bring these on line. It is not just costs but it is also time. We have a basic pro forma that we work with, this is a complicated process.

Chair Edwardson reiterated that the Committee's decision stands; to ask for more information to be presented at the next Lands Committee meeting.

E. Expanding Fire Service Area

Fire Chief Rich Etheridge discussed this matter about what would happen if the fire service area would expand. Capital City Fire Rescue was asked to provide information on the impacts of expanding the fire service area. No recommendations were requested and Chief Etheridge provided a short overview of the idea.

There have been several phone calls to the Fire Station and the Manager's Office asking about extending the fire service area north. This is a policy decision beyond the Fire Department's scope and they are looking for guidance from the Assembly as to their desire to extend the fire service area and to what extent. There are costs involved, such as fire apparatus and a new station would be needed. The Fire Department would be happy to do the research to dial in the costs if requested and to figure out if this is an idea to pursue further.

Mr. Smith asked if there are other alternatives to provide the benefit that some of the homeowners are asking for without having the City expand the fire service area. Chief Etheridge replied anyone can be part of a paid subscription service but it is complex and controversial since if dues are not paid, then the Fire Department will not respond to your house. This method has not turned out well in other communities. The easiest way for public to be receive fire protection and to have fire fighters on the scene is to through an expanded fire service area model.

Chair Edwardson commented that this is an introductory idea and will be coming up again as the Committee has now had a chance to begin thinking about this. The Committee agreed to review this subject again at the next meeting and to discuss whether this item should go to the Assembly for further consideration.

VI. STAFF REPORTS

No Staff reports provided.

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

No Liaison reports provided.

VIII. ADJOURNMENT

Chair Edwardson adjourned the meeting at 5:57PM.

MEMORANDUM



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

Date: March 3, 2020

TO: CBJ Lands Committee

FROM: Jill Maclean, CDD Director and Scott Ciambor, Chief Housing Officer

Re: Upstairs Downtown Housing Inventory and ARCGIS Story Map; Downtown Tax Abatement

The CBJ Community Development Department and Housing Office have been developing a better understanding of the downtown housing situation to meet goals set by the Assembly, and as identified in various CBJ plans. (Comprehensive Plan, Juneau Economic Development Plan, and Housing Action Plan)

Staff compiled data to meet the following goals:

- Provide a better understanding of the downtown housing stock;
- Determine where housing development opportunities exist;
- Understand better the barriers to development; and
- Guide future discussion and development of housing incentives noted in the CBJ Housing Action Plan. (Tax abatement, rehabilitation loans, grant/loan program for unit creation and code compliance, parking regulations and fees, tax increment financing district, historic tax credit and Revitalization Financing)

Upstairs Downtown Housing Inventory data assembled from a wide-range of sources (US Census, CBJ Tax Assessor, Community Development Department, and Public Works and Utilities, Historic Tax Registry, AirBNB/VRBO, etc.) was entered into an ARCGIS Story Map.

Staff recommends that the Upstairs Downtown housing inventory and ARCGIS Story Map be published on the CBJ website for use by the Assembly and the public—similar to Parcel Viewer.

Downtown Tax Abatement

A 2020 Assembly Goal is to “*develop downtown housing incentives including tax abatement*”.

Anchorage Downtown Tax Abatement Program Update

In January 2019 the Municipality of Anchorage passed an ordinance to incentivize downtown housing development through tax abatement. These are the results of the program as of January 1, 2020:

Several applications were approved in 2019:

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

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

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

At least one new application expecting to use the incentive in 2020:

- New construction mixed-use hotel/apartment building (27 units)

With the additional Upstairs Downtown Housing Inventory and ARCGIS Story Map, as well as language from Ordinance 2019-23 providing property tax abatement for development of assisted living for senior citizens, staff requests guidance on introducing similar tax abatement language for the downtown area to the Assembly for consideration.

MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office

155 S. Seward St., Juneau, Alaska 99801

Greg.Chaney@Juneau.org

Voice (907) 586-0205

TO: Rob Edwardson, Chair of the Assembly Lands Committee
FROM: Greg Chaney, Lands and Resources Manager
DATE: February 26, 2020
SUBJECT: Sale of Gravel for Housing Development



At the February 10, 2020 Lands Committee meeting, a request was considered from Chilkat Vistas LLC to purchase City sand and gravel for less than fair market value for private housing construction. Public testimony was provided by William Heumann of Chilkat Vistas concerning the proposal. Mr. Heumann asserted that access to sand and gravel at a reduced rate would enable him to develop more affordable housing for the community. Making low cost sand and gravel available for private housing projects is an unusual opportunity for Juneau, very few municipalities operate their own material sites. The Committee requested that the item be brought back for further consideration.

There are three primary concerns related to selling material below market rates; 1) how to insure that new housing units will be offered to the market at a price point that reflects the reduced cost material; 2) perceived competition with private sector vendors of sand and gravel, and 3) the potential of faster consumption of the city owned sand and gravel resources.

The Assembly has three distinct options related to this request:

A. Continue the current policy of reserving City sand and gravel for public use as well as affordable housing projects and decline the proposal to sell material to Chilkat Vistas LLC below market value. This is the current policy which has the dual impact of not competing with the private sector and conserving the CBJ's sand and gravel resources for future needs.

B. Accept Chilkat Vistas' proposal as presented and make City sand and gravel available below market value for all private housing construction developers and assume that cost savings would equate to lower housing prices or increased house construction activity. Approval will require changes to CBJ§53.09.320 & 325.

C. Develop a methodology and amend Title 53 to assure that any cost savings from reduced materials directly equates to reduced housing prices. As an example, this could take the form of a rebate after housing units have been sold. Under this scenario, a developer would initially be billed for material at fair market value. When the house was completed, a third party appraisal would establish the value of the home. After documentation verifies the final sale price is below appraised value, the developer would receive a rebate for the difference between the fair market value and the public project rate for material used in the project.

Example: The builder buys 400 tons of sand and gravel at the market rate, which is \$5 above the public project rate. When the house is completed, it is appraised for \$400,000. The house is sold for \$395,000 (\$5,000 less than appraised value). CBJ pays the builder a rebate reflecting the difference in prices. 400 tons x \$5 per ton credit = \$2,000 rebate to the builder.

If the City makes sand and gravel resources available to Chilkat Vistas LLC, staff recommends expanding the policy to allow any private developer constructing housing to participate under the same terms. Doing so may result in additional City management costs due to the potential for multiple operators sharing space in the gravel pit and the need to track and refund materials costs when warranted.

Any of the options listed above are viable. Ultimately the Assembly will have to determine whether achieving a minor reduction in housing prices outweighs competition with private sector vendors and an accelerated use of non-renewable public resources.

Assembly Lands and Resources Committee Meeting
February 28, 2020
City code related to rock and gravel sales

53.09.320 - Materials extraction permit.

(a) Established materials sites. The manager may authorize the sale of materials from established City and Borough materials sites. Payment for materials shall be at market value. The manager may, after competitive bidding and upon approval of the award by the assembly, contract with an operator to manage any City and Borough materials site. The manager may require any person authorized to remove materials from, or manage a City and Borough materials site, to post a bond and enter into such indemnity and hold harmless agreements as the manager deems necessary.

(b) New materials sites. Upon direction by the assembly, the manager shall proceed with the necessary investigations, engineering and applications to open a new materials site on City and Borough land. If the assembly so directs, the manager shall, instead, request proposals from private operators for opening and operating a designated materials site. The manager may negotiate with two or more of the qualified operators submitting the best proposals. Prior to the execution of an agreement with a private operator to open and operate a materials site for the City and Borough, the agreement must be approved by the assembly.

53.09.325 - Fees.

The Lands and Resources Division is authorized to issue regulations pursuant to CBJ 01.60 setting for a methodology for calculating a fee schedule for sand and gravel sales. Such methodology and fee schedule may include reasonable discount rates and/or rebates for sales of sand and gravel for construction of affordable housing.

MEMORANDUM

CITY/BOROUGH OF JUNEAU

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

TO: Rob Edwardson, Chair of the Assembly Lands Committee

FROM: *Daniel Bleidorn*
Dan Bleidorn, Deputy Lands & Resources Manager

SUBJECT: Driveway Easement across CBJ Land/North Douglas Island

DATE: February 20, 2020

The Lands Office received an application for an access and utility easement from Roger Ramsey, the owner of U.S. Survey 3248, Douglas Alaska. The Ramsey property presently has no frontage on a CBJ right-of-way and is only accessible by water. There is an existing easement through this City property that was granted in 2015 which serves the property adjacent to the Ramsey property. Mr. Ramsey has been working with those property owners whose properties are accessed by the



existing easement in order to form an equitable agreement for use and maintenance of the shared improvements of the easement. The easement being applied for here would be an approximate 200 foot extension off of the roughly 1600 foot long easement that has already been granted.

The Lands Committee reviewed this in March of 2019 and provided a motion of support to the Assembly for granting this easement. The Planning Commission reviewed this request at the June 11, 2019 meeting and recommended that the Assembly grant this easement.

During the time since the Lands Committee last reviewed this, an appraisal has been completed at the applicant's expense and the fair market value of this easement has been determined to be \$13,355.

Staff Recommendation: Staff recommends that the Lands Committee pass a motion of support to the Assembly to grant an access and utility easement to Roger Ramsey for fair market value as determined by appraisal.

Ramsey Driveway Plan

Date: 8/6/2019

To: Dan Bleidorn

CBJ Lands

Dear Mr. Bleidorn,

Please find a map of the proposed easement area for allowing access to the Ramsey parcel, USS 3248 (Exhibit A). I plan on developing the easement in accordance with the design set out in the Machamer Easement design, which follows the ramsey easement map here in as Exhibit B. As can be seen the length is approximately 225 feet and the width is 35'. Based on this the area of CBJ land encumbered by this easement would be 7.875 SF.

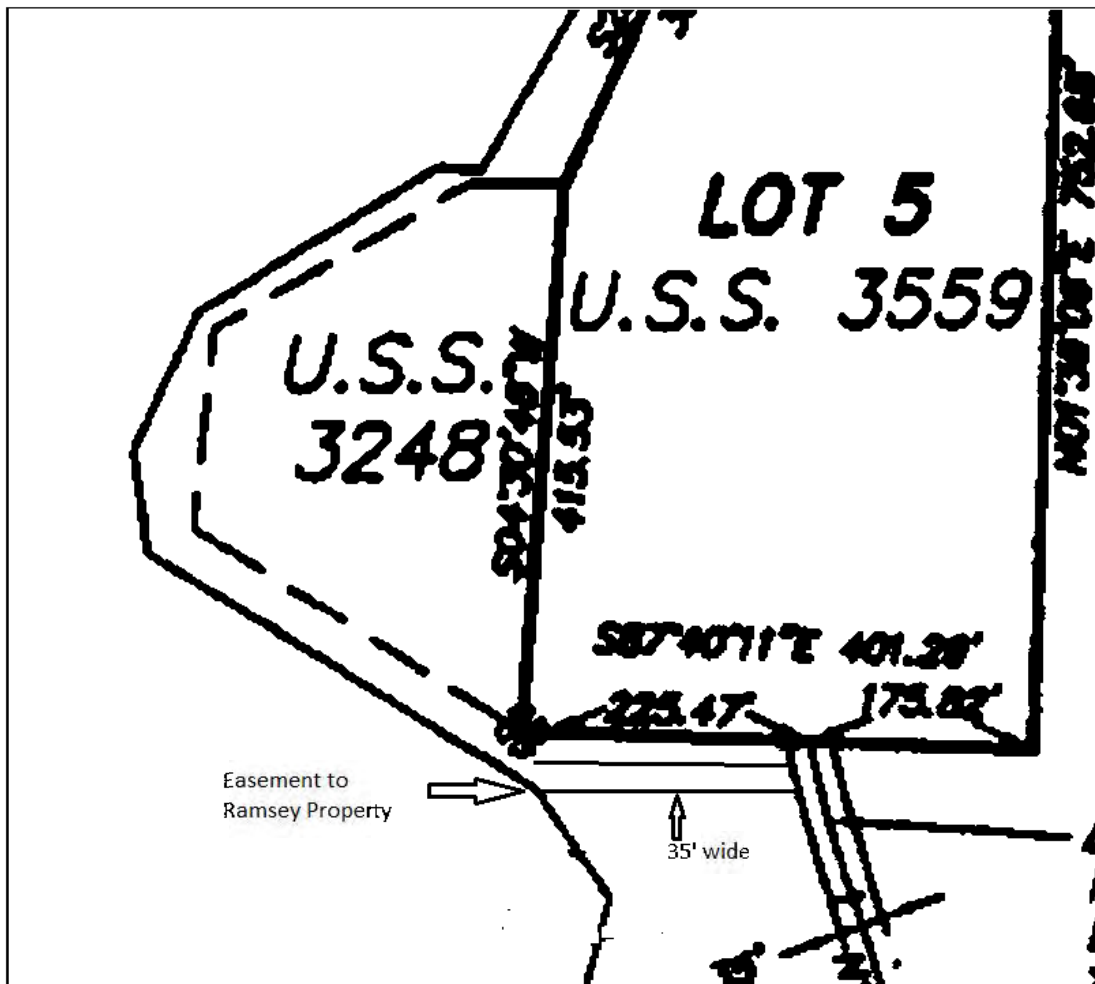


Exhibit A

Above is the proposed alignment for the easement to the Ramsey Property. This map is excerpted from the plat of the Machamer Driveway, with the extension to the Ramsey property added.

Ramsey Driveway Plan

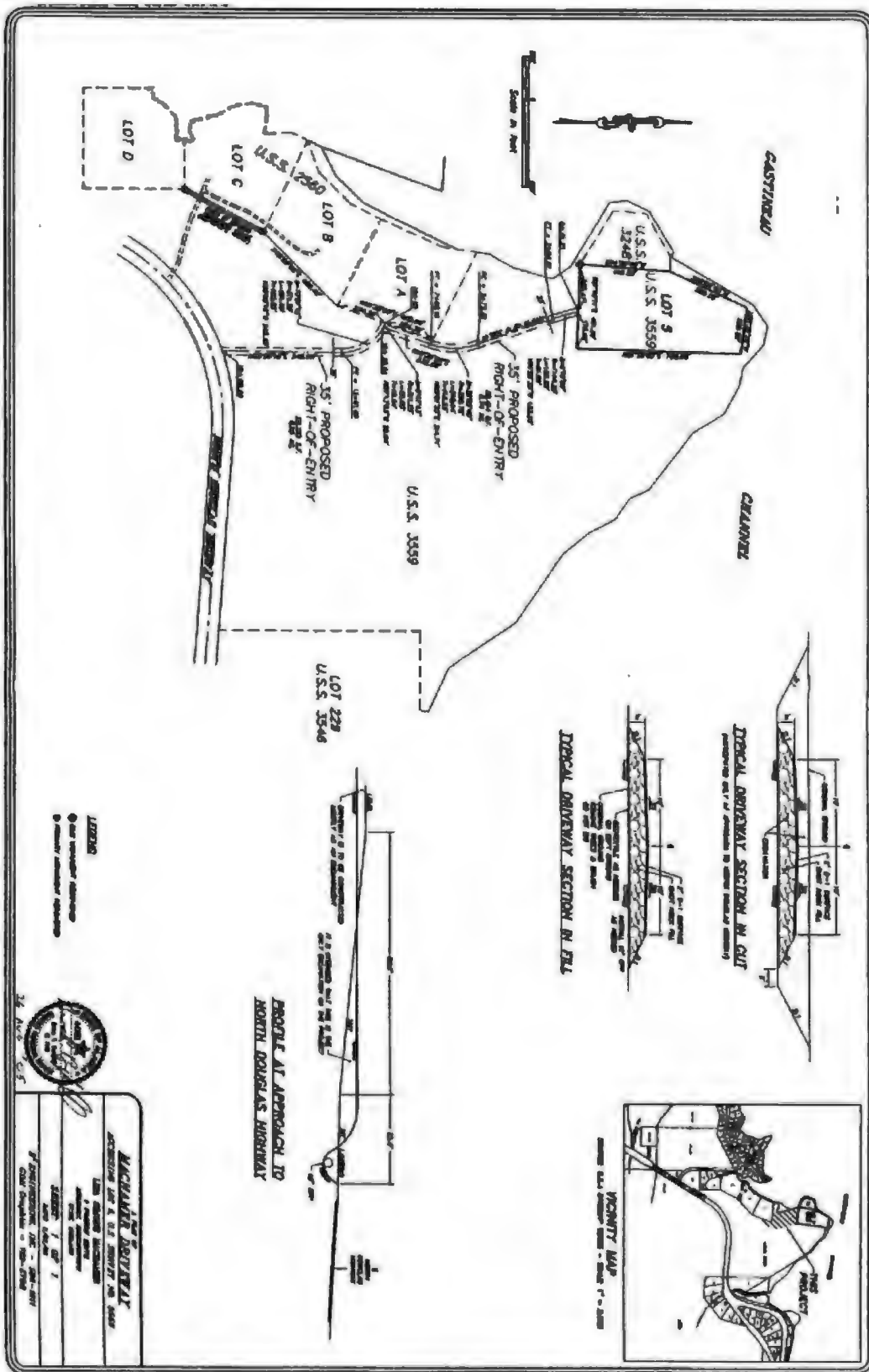


Exhibit B



TO: Rob Edwardson, Lands & Resources Committee Chair
FROM: Michele Elfers, Deputy Director of Parks and Recreation
DATE: February 27, 2020
RE: Downtown Summer Shelter

Background

Thane Campground is located about 1.5 miles south of downtown Juneau. The Parks and Recreation Department manages the campground from April to October under a lease with AJT Mining Properties executed in 1999. Consistent with this lease, the campground is intended to provide a seasonal housing option that minimizes illegal camping and associated impacts, including garbage, human waste, and bear conflicts. The campground was originally managed by the Lands & Resources Division; the Parks & Recreation Department assumed responsibility for the facility in 2010.

Current Situation

The campground's current location and design contributes to these problems: A total of 18 campsites are located along an old mining road perched high above a common area with garbage cans and portable toilets; visibility is limited due to terrain and vegetation; and access to the site is by a steep trail. This means park rangers and JPD officers cannot see potential hazards or threats and there are limited routes for egress. Vehicle access is impossible, so all maintenance work must be done by hand and CCF/R must use the steep trail. Each year, thousands of pounds of trash must be removed from abandoned campsites by hand, and hazardous materials and sharps create a dangerous situation for staff.

Working with the CBJ Housing Officer, the Parks & Recreation Department evaluated how other cities in the country are dealing with similar issues. We learned that many communities have created temporary housing options with low barriers to entry for people experiencing homelessness, such as campgrounds or small huts. Most of these facilities are intended to provide temporary housing in a managed environment while social workers work to place residents in more permanent housing.

Proposed Relocation

By applying a similar model in Juneau and relocating the campground to a more accessible location, we believe the facility can better serve its intended purpose while also improving safety for campers and CBJ personnel. AJT Mining Properties is willing to lease property to the CBJ that is better suited for this type of use than the existing campground. The new location (see attached) is slightly closer to downtown, accessible by vehicles, wider, flatter and more open. The Parks & Recreation Department would lease this property on a temporary basis while the CBJ evaluates a permanent site. A maximum of 20 campsites would be provided.

In addition to providing a safer, more accessible location, we are developing a comprehensive management plan that will include daily visits by JPD, park rangers, and park maintenance staff. The CBJ Homelessness Coordinator will also provide intake services to the campers to ensure they are entered into the Homeless Management Information System (HMIS) database, and connect campers to social services.

Conclusion

The Department intends to continue providing a low-barrier Downtown Summer Shelter at a new location with improved access, better visibility, reduced maintenance costs, and enhanced services that will better serve people experiencing homelessness. We believe these changes are necessary to reduce crime, alleviate illegal camping elsewhere in downtown Juneau, reduce garbage created by illegal campsites, provide a safe place for people to sleep, and meet basic human needs.

Downtown Summer Shelter Vicinity Map





City and Borough of Juneau
 City & Borough Manager's Office
 155 South Seward Street
 Juneau, Alaska 99801
 Telephone: 586-5240 | Facsimile: 586-5385

TO: Chair Edwardson and Assembly Lands Committee

February 26, 2020

FROM: Rorie Watt, City Manager

RE: Variances – Information Item

A variance is dispensation to violate a law that the rest of the property owners must adhere to. A variance excuses a landowner from having to comply with zoning regulations that other landowners in the same zoning district must abide by. A variance may be granted to accommodate peculiarities of the land that cause undue hardship in development.

Procedure, appeals, how when comes to Assembly.

Variances are pursuant to CBJ 49.20.200. A variance is prohibited from varying any requirement or regulation of this title concerning the use of land or structures, housing density, lot area, requirements in chapter 49.35, or requirements in chapter 49.65.

CBJ 49.20.250 gives the Director authority over Administrative Variances, which allow projections not to exceed 25 percent of the yard setback requirements of this title or two feet, whichever is less, that meet certain requirements. All other variances (Non-Administrative) are heard by the Planning Commission sitting as the Board of Adjustment (e.g. encroachment into setbacks greater than two feet; variances for minimum off-street parking requirements; variances for lot dimensions excluding lot area/size).

In order to justify granting a variance, a hardship must first be found to exist, and secondly the variance must be tailored to only provide for that hardship and nothing more. In the context of a variance request, "hardship" means that it is unusually difficult for a landowner to comply with zoning regulations because of the peculiarity of the lot or lot shape, steepness of the terrain or other topographical features or conditions of the property. The hardship relating to the property in question must be unlike other neighboring properties. Moreover, showing a hardship alone is not enough. The hardship must be an "unreasonable hardship." An unreasonable hardship exists when there are virtually no viable alternatives. An unreasonable hardship means that the property cannot be reasonably used or developed in a manner similar to neighboring properties or properties located within the same zoning district.

Appeals Process.

If a Director decision is appealed, the Commission hears the appeal; any party may appeal the Commission decision to the Assembly. If a Board of Adjustment decision is appealed, the Assembly hears the appeal.

Closing

This is an information item for the Assembly in advance of the joint meeting between the Assembly and the Planning Commission in early April. The Planning Commission has indicated that it wants to continue to work on the Variance Code.

***CAPITAL CITY FIRE/RESCUE***

*820 Glacier Ave
Juneau, Alaska 99801*

Date: February 5, 2020

To: Assembly Lands Committee

From: Rich Etheridge, Fire Chief

Re: Fire Service Expansion

Capital City Fire Rescue was asked to provide information on the impacts of expanding the fire service area.

Currently the fire service area boundaries are; On Douglas Hwy up to the CBJ Boat Launch. On Glacier Hwy. the boundary ends at Cohen Drive near the Lynn Canal Fire Station. Utilizing the CBJ parcel viewer we counted roughly, 65 structures outside of the current fire service area. We have not explored the property tax implications.

While the fire service area is limited, the EMS area covers the entire borough. We also provide occasional EMS services to outlying communities utilizing chartered flights or the USCG.

The calls for fire services in the area past Cohen Drive is relatively low. In the last 10 years there have been 7 reported vehicle fires, 2 structure fires and under the USFS letter of agreement we responded to 5 brush fires.

Currently if there is a structure fire beyond the fire service area a Chief Officer will respond and whenever possible an ambulance will respond. The Chief responds to explain to people why they are not receiving a fire response. The ambulance stands by as people will take extraordinary measures to save their property. The risk of injury to the property owner is very high.

Fire Insurance; if the Fire Service area is expanded, most homeowners will not see an improvement in their fire insurance rates. Structures beyond 5 miles from a fire station are considered unprotected in the insurance industry and pay the higher unprotected rates.

In practical senses with the travel times, a fire in a structure will be very advanced by the time crews are able to arrive on scene. To have a defensible structure, a home sprinkler system would make a significant difference in slowing the growth of a fire. Also, if the structure has fire rated doors that are closed, it could also slow the spread of fire to allow us to save parts of the building for the recovery of personal effects. It would not be

reasonable to have the same expectation of rapid extinguishment with a 5 minute response time vs a 20 minute response time.

The two big hurdles that need to be overcome are staffing and water delivery. Staffing in the Lynn Canal district has been historically very low. There is a very heavy dependence on volunteers in this district. The demographics “out the road” are slightly different than in the Mendenhall Valley.

With the current demographics in the department, we tend to have action-oriented firefighters that want to respond to high volumes of incidents. This results in difficulties in staffing the Lynn Canal Fire Station as the volume of incidents is much lower.

A typical single family home requires 16 to 18 firefighters in the first alarm to meet the minimum required positions. Providing less than the national response standard increases liability should staff be injured or killed. Currently for a structure fire, all on duty staff is deployed and as adequate numbers of volunteers arrive, career staff is returned back to their district.

To respond to a house fire beyond the current service area will require us to do heavy recruiting in this district for volunteer staff. It is not uncommon to have multiple EMS incidents occur during a fire response requiring us to divert people from the fire to medical calls. If the down town fulltime crew is “out the road”, it would create delays in responses down town.

These staffing issues are not insurmountable. It will take some dedicated work to develop response plans and focused recruitment.

CCFR would need to purchase a “Water Tender” AKA “Tanker” as the water system stops at Cohen Drive. The estimated cost is approximately \$350,000. To purchase one similar to the tanker dedicated to Thane Road. The available water pressure is also low at the end of the system as it is the furthest point from the water source.

CCFR does not take a stance for or against the fire service area expansion. If it is done there will be some costs associated with it: a water tanker, protective equipment and training for new volunteers, advertising for recruitment, and staff time on developing a staffing response plan.

If the area is expanded it would also have to have realistic expectations on our suppression capabilities due to the long travel distances and limited volunteer base in that district.

To gain any fire insurance benefits, a new fire station would need to be built 5 miles beyond the existing Lynn Canal Station.

CCFR is happy to answer any questions or do research to help the Assembly make the most informed decision possible.