

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

March 2, 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, Carole Triem

Members Absent: None

Liaisons Present: Chris Dimond, Docks and Harbors; Dan Hickok, Planning Commission; Chris Mertl, Parks and Recreation

Liaisons Absent: None

Other Assembly Members Present: Loren Jones, Wade Bryson

Some Members of the Public Present: Charles Murphy, KINY; Mike Heumann, Chilkat Vistas, LLC; Julie Olson, SECON; Paul Johnson

Staff Present: Greg Chaney, Lands Manager; Dan Bleidorn, Deputy Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Fire Chief Rich Etheridge; Scott Ciambor, Chief Housing Officer; Jill Maclean, CDD Director; Michele Elfers, Deputy Directory Parks and Recreation; Michael Eich, Pits and Quarries Manager; Rorie Watt, CBJ Manager

II. APPROVAL OF AGENDA

The agenda was approved.

III. APPROVAL OF MINUTES

The February 10, 2020 Draft Minutes were approved.

IV. PUBLIC PARTICIPATION

No public participation.

V. AGENDA TOPICS

A. Downtown Housing Inventory

Scott Ciambor, Chief Housing Officer and Jill Maclean, CDD Director, discussed this item. CDD and the Housing Office have been working to develop a better understanding of the downtown housing situation to meet goals set by the Assembly, and as identified in various CBJ plans; the Comprehensive Plan, Juneau Economic Development Plan, and Housing Action Plan. This stems from conversations surrounding the 1% sales tax two years ago where there was a concept of an upstairs downtown program that was presented to the Assembly to stir a conversation of compliance and development of housing. The Assembly was interested in more information on what this type of housing would look like. CDD and Housing staff came together to work on this project.

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 was 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.) and was entered into an ARCGIS Story Map that was presented at this Lands Committee meeting. Story Mapping is a valuable tool to indicate the lack of housing and who owns what locations. It is often said that the housing downtown is not local but the evidence revealed that this is not the case.

Four questions were asked in compiling the data for this study, such as population statistics in the area and are the property owners local? Data in the Story Map features public and private ownership and the building uses. Features of the Story Map include highlighting the Gastineau Apartments that were lost to a fire and the present Glory Hall. Airbnb and VRBO units were compiled from the Assessors database. The “Short Term Rentals” category also includes employee assisted housing. There is also a category of the regulatory environment, such as the study boundary and the avalanche mass wasting zone.

Some of the initial takeaways include there are only 181 housing units in the study and it being more populated from 9am to 5pm. The workforce housing demographics are 18-49 year olds with no housing units developed since 2017. The age and condition of the buildings make them expensive to rehab or convert to housing but there may be Historic Tax Credit opportunities with 39 properties in the Historic Register. There are parking regulations and management to consider for downtown housing. In 2019 there were 364 out of 1285 ambulance responses from respondents that identified as homeless in unused spaces.

Ms. Triem asked about the units above retail and why this particular geographic boundary was established for this project. Ms. Maclean replied that several years ago when staff was tasked with this project there was a boundary drawn and that was the area of focus to make this a pilot program to determine if the information gathered was useful for the Assembly before staff expanded the boundaries to a larger area.

Ms. Hughes-Skandijs asked if the locally owned vs. non-locally owned locations results, if this was showing everything, including public spaces. Ms. Maclean replied that there are different filters in the map to narrow down a search and you can distinguish between these two uses. Ms. Hughes-Skandijs asked if it is just residential are the results from the

residential vs. non-residential. Mr. Ciambor replied that the user can dig down to find that answer but did not have that information in front of him.

Chair Edwardson asked what direction Mr. Ciambor and Ms. Maclean would like from the Lands Committee. Mr. Ciambor replied that there are two requests, an information item and a request. Staff is requesting to post the ARCGIS Story Map and for it to be published on the CBJ CDD and Housing website for use by the Assembly and the public. The other request is, "Considering that there is a downtown tax abatement program in Anchorage, the question for the Lands Committee is, with this information, would the Committee want to staff to bring back language to create a downtown tax abatement for Juneau?"

Ms. Triem moved to instruct staff to bring back tax abatement language for the downtown area to the Lands Committee.

Mr. Smith objected for the purposes of a question to ask about other options in addition to tax abatement. Mr. Ciambor replied that at the Committee of the Whole there will be another tool presented about the Affordable Housing Fund and to bring back tax abatement for discussion is as good of an idea as any. Although some of the units are in the mass wasting/avalanche zone, they are right for redevelopment loans and the other piece is looking at parking regulations and management.

Ms. Triem moved to instruct staff to bring back tax abatement information to the Lands Committee and to host the tool online. Motion approved.

B. Sale of Gravel for Housing Development

Chair Edwardson noted that there would be public comment on this topic. Mr. Chaney commented that this topic is a continuation of the discussion from the February 10, 2020 Lands Committee meeting in which a request was considered from Chilkat Vistas LLC to purchase City sand and gravel for less than fair market value for private housing construction. This is housing at the market rate pricing. The policy that the City has had up until this point is to retain sand and gravel for public use and affordable housing projects to ensure a reliable supply for City and State projects and other public projects, such as Housing First.

Three options presented are to retain the policy as stated to reserve gravel for public use; to accept Chilkat Vista's proposal as presented, which would require code changes, a direction needed from the Committee; or to develop a methodology and amend Title 53 to assure cost savings directly equate to reduced housing prices. As Chilkat Vista spoke before, they noted that if they could get the material for less than market value then they could pass that savings on to the home purchasers. This option would be a way to have some accountability. An example would be a rebate option for example, a builder buys 400 tons of sand and gravel at the market rate, which is \$5 above the public project rate and when the house is completed, say it is appraised for \$400,000 and sold for \$395,000, or \$5,000 less than appraised value. CBJ would then pay the builder a rebate reflecting the difference in prices. $400 \text{ tons} \times \$5 \text{ per ton credit} = \$2,000 \text{ rebate to the builder}$. This is about a 1% reduction in the purchase price in savings for the buyer.

Julie Olson, from SECON, testified that her company is opposed to the City competing with private industry by selling gravel below market value. SECON and other companies in Juneau put in considerable time and effort to develop quarries and gravel pits. They pay property tax on the land, but they have to maintain their scales to comply with the State of Alaska scale standards, as well as permits for blasting, and testing for aggregate to ensure it meets minimum standards for public projects. This applies to all of their material in the Hidden Valley and Lemon Creek sites, adjacent to the City's property. By selling the material below market value to private industries, it is not only unfair to businesses like them that have spent considerable time to develop, but it also gives the person receiving it an unfair advantage against the other building contractors in town. In the last memo, Mr. Chaney mentioned that aggregate was sold for \$13 per ton and selling it for \$2 per ton, which is egregiously below market value and unfair, in Ms. Olson's opinion.

Mike Heumann, Chilkat Vistas LLC, spoke in behalf of the proposal. Chilkat Vistas has been in the process of clearing out a City right-of-way, Hooter Lane, where (several years ago) a developer placed a large amount of material in the right-of-way and they (Chilkat Vistas) have paid to haul that off. The City had mentioned in the past that they wanted to do something with that material but had not and now Chilkat Vistas has to do it. Chilkat Vistas is seeking some relief for the added cost of this issue. One means of relief would be getting gravel at below cost. This seemed like a good idea, which would be a way to do this without exchanging costs. And the gravel is close to the project, which reduces truck time dramatically. The other thing is that Juneau in general has a housing issue and Mr. Heumann would be in favor of offering low cost sand and gravel to other contractors as a large part of this issue is costs of the materials to develop lots and gravel is one piece of development costs. Juneau used to build roads with gravel but now they are built with (crushed) rocks, so this (Lemon Creek) gravel pit was developed for a purpose that is no longer used. Mr. Heumann felt that this would be an opportunity to solve a few problems at once. If they get into something where there is a rebate program without a lot of red tape, Mr. Chaney is right, it is only one or two percent. Mr. Heumann didn't want this to be a huge deal but if it was made available to all it would affect the cost structure of developing land and housing by a little bit in Juneau.

Ms. Triem asked Mr. Heumann if there was any other discussion in terms of being reimbursed or other actions from CBJ. Mr. Heumann replied that they would love something like that but did not get into that and was encouraged by the City Manager to pursue this idea and see what happens.

Mr. Smith asked Mr. Heumann, "What is the market rate for this product?" Mr. Heumann replied that it is around \$7 or \$9 and that it is far away to get it. There are options depending on the time of year and what people (gravel suppliers) are willing to do.

Mr. Chaney commented that the number that was put in the previous memo for cost development was a rough estimate and was compiled from a memo that was written a couple of years ago. These numbers may not be as accurate as they could have been but the numbers are in this range and are probably over \$7 per ton or maybe more. Just a caution not to take that exact value but the numbers are close and staff could look into the exact numbers more closely.

Ms. Triem asked if one of the reasons for the current policy is to conserve gravel resources for CBJs projects and if there is any sense of how close we are to running out. Mr. Chaney replied that we are not close to running out at all, as it was pointed out by Mr. Heumann, that we now use shot rock for road construction and the use for pit run is fairly limited. It can be used for certain road shoulder situations or for pipes. It is a big resource and we are not likely to run out soon. But on the other hand, as the Lands Manager I have pretty long time horizon and I think about what is also happening on a 100 year horizon, not just five. In a 100 years it would be limited but not in the short term.

Ms. Hughes-Skandijs asked Mr. Chaney how many private gravel pits there are in town? Mr. Chaney replied that there are at least 2 that are active and at least another one that is kind of in a dormant state and was uncertain of how many more that could be developed. One issue with subsidizing price is that private sector does not want to develop because there is no profit margin in that. Ms. Hughes-Skandijs commenting that during the previous discussion on City's stock, this conversation is more comprehensive and wanted to confirm that there are specific uses for gravel. Mr. Chaney confirmed that it is not used for the roadbed due to the weight of the traffic but around pipes, it is good material for that. It is, volume wise, a smaller percentage than what it used to be used for.

Mr. Mertl commented that he struggled with this proposal without some sort of policy. If Chilkat Vistas is granted this low cost gravel, then it keeps going. He is not in favor of competing with private business and is a fan of the current policy. This proposal would be equivalent to opening Pandora's Box in that all of a sudden, the City will be the go-to for aggregate and our costs will go up to manage and maintain our gravel pits and volume will go up significantly. If a policy can be developed, as well as public support, then Mr. Mertl would be supportive, otherwise he thinks the City will get itself into trouble if we proceed.

Chair Edwardson noted that that if this leaves the Committee then it is not approving or disapproving, as there are no regulations that allow CBJ to sell material for below market value. This could go forward with a discussion to write regulations to allow for something yet to be determined in the regulations. Mr. Chaney confirmed that summary was correct. Chair Edwardson noted that the Lands Committee wouldn't be establishing policy and cannot guarantee that the Assembly would change the code one way or another and all the Committee could do would be to recommend to begin a discussion.

Ms. Hughes-Skandijs noted for the purposes of this discussion that she was opposed to this idea and thinks it is attractive in that it is a non-monetary value that the City could contribute to the housing stock but is not sure that this would impact it in a significant way. She is hesitant to compete with private industry and if regulations would be changed then there would need to be guarantees that the rebate would be tied into lower housing costs and that is uncertain at this time. Ms. Hughes-Skandijs is sympathetic to Mr. Heumann but this idea should be kept separate from how to view the City's regulations on how to get material for public projects.

Ms. Hughes-Skandijs recommended "Orders of the Day" (no action), motion passed.

C. Driveway Easement across CBJ Land/North Douglas Island

Mr. Bleidorn discussed this request. The Lands Office received an application for an

access and utility easement from Roger Ramsey, the owner of U.S. Survey 3248, Douglas Alaska. This property presently has no frontage on a CBJ right-of-way and is only accessible by water. There is an existing easement through a 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 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 the roughly 1600 foot long non-exclusive easement that has been granted to other property owners.

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

Mr. Mertl noted that he is a friend of the applicant as well as the property owners for the adjacent property.

Ms. Hughes-Skandijs moved 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 through CBJ property to US Survey 3248. Motion approved.

D. Downtown Summer Shelter – Thane Campground Relocation

Michele Elfers, Parks and Recreation Deputy Director, discussed this item. 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 Lands & Resources Division originally managed the campground; the Parks & Recreation Department assumed responsibility for the facility in 2015.

The campground's current location and design contributes to these problems: 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 and the thousands of pounds of trash must be removed from abandoned campsites by hand. CCFR must use the steep trail. Hazardous materials and sharps create dangerous situations 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.

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 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, the City is 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.

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. Parks 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.

Mr. Smith asked, "How many spots does the old campground have?" Ms. Elfers replied 17. Mr. Smith followed up by asking what would happen to those. Ms. Elfers replied that the City would be removing the tent platforms and will make it more difficult to get up the trails, but not completely remove them, and make it more difficult to camp there. The City and AJT will continue to monitor that site and work through the process to move people to the new site and to educate them.

Mr. Smith asked if there would be continued access into town from Gastineau Avenue and noted that he lived near there. Ms. Elfers said the main access would be from the road, which is an old roadbed that continues along Gastineau Avenue. People still walk through this area and the City and AJT is aware of this, and is expected that people will continue to use this path, but the goal is to educate and encourage access along the road.

Mr. Hickok asked if the neighboring properties have been notified. Ms. Elfers replied that AJT and AEL&P have met with Goldbelt, as they have the property above, including the tram. Property below is leased and conversations with those owners will take place. Ms. Elfers has been in contact with the tenants of the Franklin Dock property. Mr. Hickok followed up to ask if anything had been posted. Ms. Elfers replied that nothing has been posted right now and the plan would be to start with outreach in the next few weeks.

Mr. Mertl commented that he appreciates staff working on this issue and appreciates the partnership with AJT. As a Thane resident, he noted that it is very obvious that numerous

people are coming and going from the old campground. If there is general approval from the (Gastineau Avenue) neighborhood, then this is a great idea, especially with the visibility and access.

E. Variance Discussion

City Manager, Rorie Watt, discussed this item about development rules. A variance is dispensation to violate a law that the rest of the property owners must adhere to and 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 for development. Variances are a difficult issue as applicants to the CDD want to waive the rules for development. Legally to support variances in the land use code, they have to be approved only very infrequently.

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 the 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.

If a Director’s decision is appealed, the Planning 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.

This is an informational 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.

F. Expanding Fire Service Area – Continued from previous Lands Committee Meeting

Fire Chief Rich Etheridge returned to continue discussing this item. Mr. Chaney noted that members from the public were present to testify on this item. Chief Etheridge reiterated the stance from the memo and noted that staff had done more research into cost estimates if the Assembly wanted to proceed down that path (extending Fire Service Area). Chief Etheridge noted that this is a scalable item that could be built in phases for responses. This is not an all or nothing type of thing and could be done in sections.

Chair Edwardson noted that a decision to pursue this as an agenda item for the Assembly should be determined at this meeting.

Paul Johnson, a resident of the proposed fire service expansion area, spoke in favor of increasing service. He noted that when the City brought water out to Cohen Drive, residents felt that this was also the extent of the fire service. Mr. Johnson said that the City properties of the Arboretum and the Eagle Valley Center would receive fire service if something would happen to them. Mr. Johnson spoke on behalf of residents near him and those he spoke to said they wanted similar service. People in the area wanted some assistance and hoped that the fire truck could go out to assist in an emergency. He was not asking the City to spend a lot of money to build a fire station but something in between that could respond. A neighbor of his is a 92 year old lady that he would like to see some kind of help respond to her if she were to call.

Ms. Hughes-Skandijs asked Mr. Johnson if the in-between option that he was looking for would be a tanker truck that would be devoted to out-the-road services. Mr. Johnson replied that if someone called fire or an ambulance right now then the fire truck has to just stand there, so using what water you have on the situation to at least get a person out of a fire would be helpful. Or to at least do the same fire response that the City would do for the Arboretum.

Mr. Smith asked if the desire is to put in place a fire response for a fire but not to the same level that would qualify as an insurance benefit. Mr. Johnson noted they do pay taxes and would like to have a little help.

Mr. Hickox asked Chief Etheridge about any concerns with dry spells and brush fires. Chief Etheridge replied that is a concern and there is a contract with the US Forest Service for any reimbursement for any fires that CBJ responds to. Mr. Hickox followed up asking if the Forest Service is capable of responding to a fire in a nearby facility or if they have fire or tanker trucks to respond. Chief Etheridge noted that the Forest Service has a small pickup that has a small pump on it to respond to wildland fires if Forest Service personnel are in Juneau. They also respond to Haines and Skagway, which means there are several times Forest Service firefighters are not in our community.

Mr. Mertl asked Chief Etheridge, if Mr. Johnson does not want a water tanker, then what would be in the best interest for the City to expand service area? Chief Etheridge replied that the best interest would be to protect the people and to have an adequate water supply. We would be violating industry standards by not having a water supply. If we are going to send people out there and expect them to do something then they should have the basic tools to do their work. A water tanker would be the minimum.

Ms. Hughes-Skandijs asked what CCFR would do if the Arboretum was on fire. Chief Etheridge replied that as City property the City could dispatch resources for their own property, the same as anywhere else.

Mr. Smith asked if there was an issue at the Arboretums then would a normal engine truck go out or are there other resources that would be use? Chief Etheridge commented that they would send the fire engines that are out in that direction as well as the tanker that is downtown. This could take 45 minutes to get out there. Mr. Smith asked about the tanker from Thane, if that could be used. Chief Etheridge noted that the Thane tanker would not be available right away. Mr. Smith noted that he was not sure if this request had come up previously and if so what the previous decision was.

Ms. Hughes-Skandijs asked if it were City owned property would people be rotated out as volunteers arrived. Chief Etheridge confirmed.

Chair Edwardson asked if the Committee wanted to learn more about this project before making a decision or if they have heard enough to move this forward and recommend that the Assembly take this up or not to move forward as a motion for right now.

Ms. Triem moved to forward this item to the COW for more information; approved.

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 5:58PM.