

**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:

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

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. Mertl 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. Mertl 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.