

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

January 6, 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, Carole Triem, Greg Smith (via phone conference)

Members Absent: None

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: Cristobal family (owners of the Twilight Café), Sealaska Heritage Institute representatives

Staff Present: Greg Chaney, Lands Manager; Dan Bleidorn, Deputy Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Alex Pierce CDD Planning Manager; Teresa Bowen, Assistant Attorney

II. APPROVAL OF AGENDA

The agenda was approved as presented. Mr. Chaney noted that the Staff Report Item A, “Discussion on Extending Fire Service Area Farther North” has been moved to the February 10th, Lands Committee meeting.

III. APPROVAL OF MINUTES

The December 9, 2019 Draft Minutes were approved.

IV. PUBLIC PARTICIPATION

No public participation.

V. AGENDA TOPICS

A. Twilight Café Easement Request

Mr. Chaney introduced the Twilight Café easement request from the owners, Catherine and Ariel Cristobal, who applied on October 17, 2019 to purchase a five-foot wide access easement across City land to their property located at 325 Willoughby Avenue, also known as the Twilight Café. The Twilight Café property is unique because it is land locked and does not have frontage on a right-of-way. Limited access is available

through an adjacent property owned by Bullwinkle's Pizza via a recorded 4-foot wide easement to the Twilight Café building. Bullwinkle's owns the property that would be the front of the lot and have the most direct access. The relationship between these two property owners has been acrimonious and access via the 4-foot easement has been unreliable at times. Snow plowing has presented challenges therefore the applicants have requested an easement to provide access to the property. The existing limited access via the 4 foot wide easement is currently not a significant problem because the Twilight Café lot also abuts City property, which is being used as a parking lot. The owners and customers of the café can use City property for access if parked cars are not blocking the access. The drive aisle in the parking lot is not a designated right-of-way and may be redeveloped.

The existing 4 foot easement across Bullwinkle's property is problematic for several reasons. A primary issue is that a 4 foot easement is not sufficiently wide to transport large objects to and from the Twilight Café. Additionally, the easement is across a neighboring lot that is subject to the owner's good will to be functional. If there were a significant disagreement between the neighbors, it would be resolved in court, which could leave the Twilight Café property without a practical means of access until the court case was decided. Finally, the Twilight Café was built before current building codes and straddles the entire lot so there is no way to get from the front of the building to the backyard without walking through the structure. There is a reason why this is not allowed in the current code, as you become dependent on your neighbor for access to your property. Therefore, the applicant has applied to the City for a 5 foot wide access easement across the adjacent city owned property that would stretch from the Willoughby Avenue right-of-way along the side of the Twilight Café property.

The proposed easement is within the adopted Willoughby District Land Use Plan, Chapter 5, which has been incorporated as an element of the Comprehensive Plan CBJ§49.05.200(b)(1)(J) (the region has recently been renamed as the Aak'w Village District.) If the area is redeveloped as proposed in the Willoughby District Plan, the parking lot will be removed and access to the Twilight Café lot will be limited to the existing 4 foot easement. It is worth noting that the Willoughby District Plan does not show the Twilight Café or Bullwinkle's lots as private property, but rather as publicly owned green space, or a park. Since there is no guarantee that these property owners would be willing to sell to CBJ in order to redevelop the area, for the purposes of this application review, it is assumed that these properties will remain in private ownership.

This new easement would help resolve the limitations inherent in the existing 4 foot easement across the Bullwinkle's lot. In the short term, this access easement would not result in a change on the ground because vehicles parking in this area generally park about 5 feet from the Twilight Café building so the access is generally available. In the long term, if new development is undertaken on City property, the 5-foot access easement could be accommodated in future designs. The applicants have also expressed interest in building an awning on their property, which would be addressed while negotiating the terms of the easement.

In regards to the flow chart process for an easement application and according to CBJ§53.09.300(c) *Easements, Review Process*, the easement application shall be referred to Community Development, Engineering and Public Works Departments for comments about proposed easements across CBJ Property. Based on the attached memo from CDD Planner, Laurel Christian the Community Development Department has no objection to granting the requested 5' access easement to the subject parcel. The memo also included the recommendation that the eaves that extend from the Twilight Café across the City property line be addressed in the final easement document. This recommendation will be included in the final easement. Michael Vigue, former Director of Engineering & Public Works, also commented that he had no objection to the proposal. We are now at the Lands Committee review stage, seeking recommendation and then the next step would be to bring this to the Assembly for authorization for the Manager to conclude the final terms of the sale by resolution. If this is approved, a survey will be conducted, which in this case has already been established. The current price will be determined by appraisal. An appraisal has been completed and will need to be updated. After these steps, the final terms of the agreement will be determined.

Lands staff is looking for a motion of support for this concept and recommends that the Lands Committee pass a motion of support to be forwarded to the full Assembly to work with the original applicants, Catherine and Ariel Cristobal, to negotiate terms for the sale of a 5 foot access easement across CBJ land to the Twilight Café property. Mr. Chaney noted that the applicants were present to field any questions.

Mr. Voelckers asked about the difference between an easement and a sale. Mr. Chaney replied that in practical terms there is not a huge difference except the City can grant overlapping easements that anyone from the public can use for City purposes and it is not exclusive. If the City sells the property, then the purchasing party can say that it is now private and no one else can come there.

Ms. Hughes-Skandjis asked if the parking would remain for now. Mr. Chaney confirmed and that the wheel stops might be moved a foot, but otherwise little would change.

Mr. Mertl asked about the narrow driveway and how to maintain the 5-foot easement. Mr. Chaney replied that the City would look at wheel stops locations and noted that the 5 foot easement was a compromise for ADA compliance.

Chair Edwardson asked as far as the easements go, would the intention be that they would be vacated if the land is sold? Mr. Chaney replied that if the City were to purchase the land for a park then it would be vacated. If the property is sold to another owner than the easement would probably go with the new owner to avoid passing on the existing access problems.

Ms. Hughes-Skandjis moved support to the full Assembly to work with the original applicants, Catherine and Ariel Cristobal, to negotiate terms for the sale of a five foot access easement across CBJ land to the Twilight Café property. Motion passed.

B. Proposed Aurora Arms condominium Land Trade to Provide Right-of-Way Access

Mr. Chaney introduced this topic that was brought to the Lands Committee on February 27, 2017 and the Committee unanimously forwarded a motion of support to the Assembly to continue to investigate options to purchase the lot located at 1870 Glacier Highway to provide access to eight acres of CBJ owned residentially zoned property outside of the mapped hazard zone. An update was brought to the Lands Committee on December 4, 2017 and the Committee passed a motion of support to continue to investigate options for purchasing the property. After extensive discussion with the Aurora Arms Condominium Association Board, terms for a potential sale were developed. A draft agreement was brought to the Lands Committee on April 8, 2019.

According to the flow chart process for land sale applications, per CBJ§53.09.260(a), Lands is at the beginning with approval to continue to discuss this item from the Manager. The Lands Committee is actually not on the flow chart but Lands' staff have been working with the Association on this project and has brought the current status of the agreement to the Lands Committee to provide an update on its progress.

The Aurora Arms Condominiums is just above Aurora Harbor with City property above them. The 2016 Land Management Plan identified an area of CBJ property listed as LND-1089, near Norway Point, that was outside of mapped hazard zones and might be suitable for residential development. The 2016 Land Management Plan Implementation Strategy also identified this site as an area to investigate for housing proposals. CBJ's Emergency Program Manager, Tom Mattice, has reviewed existing hazard studies conducted in this area. There have been four studies investigating mass wasting and avalanche hazards in this location and none have identified this area as hazardous. Therefore, it looks probable that an area of residential development could be safely developed on the hillside above Norway Point on CBJ property. This would represent a prospect for CBJ to develop property for housing near downtown.

As with most of CBJ's parcels, access is a significant impediment for residential development. In this case, there are two existing rights-of-way that could provide access to the site. Both Ross Way and Behrends Avenue have unbuilt rights-of-way that dead end to CBJ property. Unfortunately both routes would have to cross a dangerous and a well-documented high hazard avalanche zone. An alternative access route is located at 1870 Glacier Highway. It is a 60-foot wide vacant lot that is currently owned by the Aurora Arms Condominium Association and is being used for overflow parking. This property is outside of the mapped hazard zone and is located along a straight section of Glacier Highway. Using this property would provide safe access to the eight acres of CBJ property located uphill Aurora Arms. The road would look similar to that of Blueberry Hills, steep but not crazy and not as steep as other roads downtown. In order to build the road the City would need to purchase the property next to Aurora Arms, who also has a strong desire to have an acre of land for zoning purposes.

Lands staff worked with CBJ Engineering to develop conceptual plans for an access road through this vacant lot. Based on this preliminary work, it appears that a road could be built that would meet CBJ standards and have a maximum grade of 10%. Engineering

cautioned that this road would be expensive and difficult to construct. A proposed parking lot would be built as part of the arrangement to be used for construction and then it would be part of the land traded to Aurora Arms.

After reviewing the proposed agreement, the Lands Committee provided a motion endorsing the land trade agreement with the Aurora Arms Association. The City would trade 0.4 acres of uphill property to Aurora Arms in exchange for this access, which would be .22 acres. The City would benefit by having road access to upland property. Aurora Arms Condominium Association could continue to park where they have been parking until the City constructs a road and then they would park in the new, proposed parking lot. Lands staff contracted with a surveyor to provide a draft plat establishing the extent of the proposed land trade. At this point in the process, it would be appropriate to have the Assembly formally review the proposal as established in CBJ§53.09.260 and if found to be appropriate, send the proposal to the Planning Commission for review, draft an ordinance, bring that to the Lands Committee comments and Assembly for approval.

Basic components of this proposed agreement included:

- CBJ would trade 0.4 acres of upland property for the 0.22-acre vacant lot located at 1870 Glacier Highway.
- CBJ Lands would pay for a lot line adjustment that will be needed for the property trade.
- Property values will be established by appraisal. Cost of the appraisal to be paid by CBJ. If the value of the property received by CBJ is higher, the difference would be made up by a cash payment.
- CBJ intends to build a road above the Aurora Arms Condominiums to access CBJ property. Aurora Arms Condominium Association will continue to park on the vacant lot until CBJ develops the site.
- When CBJ builds the proposed access road, CBJ will build a similar parking lot above the condominiums alongside the new road on condominium property.

Lands Staff recommends that the Lands Committee adopts a motion of support for the Assembly to approve the preliminary land trade agreement with the Aurora Arms Condominium Association and to proceed with the review and approval process as established under CBJ§53.09.260.

Mr. Smith asked what is the potential for housing units. Mr. Chaney replied that it is zoned D5, which is five units per acre, which would be about 40 units. In reality, it probably will not be that high due to the topography and slope issues and some of the lots may be a bit bigger bringing the total units closer to 30.

Mr. Voelkers asked about any research for future development costs. Mr. Chaney replied staff does not have a good number due to many variables, but suspects it would

be in the millions. Mr. Chaney did not think this would be economically viable in the current market but noted that this would be a chance to setup up future development. Ideally, construction costs will not go up as fast as the value of property in downtown. This long-term project may look good in 20 to 40 years.

Ms. Triem asked if CBJ does the land swap now, and if the does not begin for many years, than nothing will change on how the parking lot is currently used. Mr. Chaney confirmed and reiterated that there will be no change until the City is ready to build.

Mr. Mertl commented that this land trade is low costs, low risk and is a good idea.

Chair Edwardson asked about restrictions to the land and if someone could claim adverse possession. Mr. Chaney replied he was not aware of any restrictions that would come with the land. Mr. Chaney noted that there were representatives from the Association now present in the meeting to answer any questions.

Chair Edwardson asks what happens if the lot were traded and if CBJ does not develop or sales. Mr. Chaney replied that the City does not have an official agreement and that the Association would have the right to park in the lot and the City would establish a long-term lease agreement or if sold, the Association would have to agree to the terms.

Ms. Triem moved that that the Lands Committee adopts a motion of support for the Assembly to approve the preliminary land trade agreement with the Aurora Arms Condominium Association and to proceed with the review and approval process as established under CBJ§53.09.260. Motion passed.

Chair Edwardson noted that the Mayor was in attendance.

C. Sealaska Heritage Institute Request to Lease Parking

Mr. Bleidorn introduced Sealaska's application to lease parking. Representatives from the Sealaska Institute were in attendance. Sealaska Heritage Institute has submitted an application to lease City owned property located at 450 Whittier Street. This property was purchased from the Mental Health Trust, Land Trust Office in 2018 and is the former location of the Public Safety Building, which the City demolished in 2019. The property has been paved with asphalt and striped with 64 parking spaces. Five of the parking spaces located closest to the front entrance of the Zach Gordon Youth Center are being used by the Youth Center, and are not available for lease. The application to lease City property states that, "Sealaska Heritage Institute plans construction of an Arts Campus and underground parking facility at the location of the current parking lot at One Sealaska Plaza." Leased parking is needed in the interim for Sealaska employees and tenants of the building; the application states that the parking is needed for approximately one year during construction.

The municipal code 53.09.260 states, "The proposal shall be reviewed by the Assembly for a determination of whether the proposal should be further considered and, if so, whether by direct negotiation with the original proposer or by competition after an invitation for further proposals." If a motion in favor of working with the original applicant is provided

by the Lands Committee, the next step will be to bring this to the Assembly as New Business and request a motion to work with the original applicant. If a motion to work with the original proposer is provided by the Assembly, staff will draft an ordinance that will provide the Manager authorization to execute a lease, which will be reviewed by the Lands Committee. Because this is a lease application, it will go to the Planning Department staff but not to the Planning Commission. If the Lands Committee provides a motion in support for the ordinance and lease, then the ordinance will be introduced at an Assembly meeting followed by a public hearing on the ordinance. If the ordinance is approved, the Manager will execute a lease after a 30-day appeal period. The lease would begin around July for about a year with fair market value determined by an appraisal. Staff already has an idea concerning the value of parking in this area as Lands already leases parking to the State.

Lands staff recommend that the Lands Committee pass a motion of support to work with the original proposer for the lease of City property located at 450 Whittier Street.

Ms. Triem asked about this item in regards to the flow chart, and if the length of the lease would be locked in at this time. Mr. Bleidorn replied that this would be part of the negotiation process and the timeframe could be dependent on the construction project. The lease could allow for a one-year renewal or month-to-month renewal.

Ms. Hughes-Skandjis asked how people approach the City to lease parking. Mr. Bleidorn replied that at one point Lands had been talking to the State about leasing this area for parking but has not received a formal application. The City does lease property from Develop Juneau Now and the State in return subleases that from the City across the street at the Subport. Mr. Bleidorn stated that he believed that this would be a short-term lease and the use could be reevaluated afterwards.

Ms. Triem asked who is and would be responsible for enforcement. Mr. Bleidorn replied that enforcement would be worked out in the terms of the lease and it is usually left up to the lessee. Snow removal would also need to be agreed upon when the lease is signed.

Mr. Smith asked how many spots Sealaska has at Sealaska Plaza. Mr. Bleidorn invited Lee Kadinger from Sealaska up to speak, who replied about 56 parking spaces. Chair Edwardson followed up by asking if it was not just Sealaska Heritage that uses those parking spaces and Mr. Kadinger confirmed that he would handle any parking subleases.

Ms. Hughes-Skandjis moved that the Lands Committee pass a motion of support to work the original proposer for the lease of City property located at 450 Whittier Street. Motion passed.

VI. STAFF REPORTS

A. Discussion on Extending Fire Service Area farther North (Moved to February 10 meeting)

Chair Edwardson noted that this item came from an email from a citizen who lives far north and wanted the City to consider this item. Mr. Chaney noted that City Staff was unable to present this item until the next Lands Committee meeting.

B. Pederson Hill Land Sale Update

Mr. Chaney provided an updated about the Pederson Hill lot sale. The Fixed Price Lottery was held on Tuesday, December 10, 2019, with 6 lots available, with all lots sold. There were 14 registered participants, 11 individuals and 3 corporations. There were more people at the lottery than there were lots available. The Sealed Competitive Bid process did not go as swimmingly with only one lot sold. Thoughts on why this occurred include that fact the sealed bids tend to drive up prices and a lot of people didn't feel that they wanted to bid above the appraised value. Mr. Chaney noted that he encouraged people to bid the minimum, but was not successful in encouraging people to bid. Another reason behind the low participation was probably due to the timing around the holidays.

As soon as the Sealed Competitive Bid sale was complete, according to the ordinance, Over the Counter sales could occur. Staff has sold four lots that were available through the Sealed Competitive Bid sale. There are still lots available. In Mr. Chaney's opinion, these are some of the best lots still available with elevation for sun exposure and potential for views. Lots 2 and 3 share a driveway and would be sold together. The lots that are available are first-come, first-serve, over-the-counter for the appraised value.

Ms. Triem asked if the apparatus shown in the lottery photo was the actual one that was used. Mr. Chaney confirmed. Ms. Triem followed up by asking who pulled the names and Mr. Chaney replied a volunteer from Community Development.

Ms. Hughes-Skandjis asked how close the sealed competitive bid was above the appraised value. Mr. Bleidorn replied that staff was still working with the applicant but the price was a little above. Mr. Chaney replied that it was about 5-percent above the minimum whereas the average percentage above fair market value for the Lena Subdivision was around 30-percent.

Mr. Voelckers asked about the three to four lots that Mr. Chaney indicated were his personal favorite, if those lots are larger. Mr. Chaney replied that they are similar in size with identical pricing to other lots with the same size.

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

No Liaison reports provided.

VIII. ADJOURNMENT

Chair Edwardson adjourned the meeting at 5:42PM.