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

April 8, 2019, 5:00 PM.
Assembly Chambers

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

A. March 18, 2019 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. Vertical Bridge Cell Tower Lease

B. Aurora Arms

C. Senior Housing Assisted Living Proposal

VI. STAFF REPORTS

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

VIII. SUPPLEMENTAL ITEMS - RED FOLDER ITEM

A. April 8, 2019 Presentation

IX. 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
MINUTES
March 18, 2019, 5:00 P.M.
City Hall, Assembly Chambers

I. ROLL CALL

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

Members Present: Mary Becker, Chair, Maria Gladziszewski, Michele Hale, and Alicia Hughes-Skandijs

Liaisons Present: Chris Mertl, Parks & Recreation

Liaisons Absent: Weston Eiler, Docks and Harbors**;** Paul Voelckers, Planning Commission

Other Assembly Members Present: Beth Weldon, Mayor

Some Members of the Public Present: Dave McCasland, , Members of Veterans for Peace, Kathleen Strasburg, Vice President of Senior Citizens Support Services, Inc. (SCSSI), in attendance

Staff Present: Greg Chaney, Lands Manager; Dan Bleidorn, Deputy Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Scott Ciambor, Chief Housing Officer; Rorie Watt, City Manager; Jill MacLean, Community Development Director

II. APPROVAL OF AGENDA

Hearing no objection, the agenda was approved as presented.

III. APPROVAL OF MINUTES

A. February 25, 2019 Draft Minutes

Chair Becker had submitted her comments for changes.
The February 25, 2019 minutes were approved as amended.

IV. PUBLIC PARTICIPATION

There was no public participation on non-agenda items**.**

V. AGENDA TOPICS

A. Pederson Hill Strategy

Mr. Chaney introduced the Pederson Hill Subdivision disposal strategy. The City has been working on this project for about 13 years and is close to having Stage One completed with a plan of building three stages to create an 86-lot subdivision. The Lands Division is hoping to offer a couple of innovated ways of selling the lots for the various user groups interested in purchasing. These include sealed competitive bid, which is a process that we have used for all of our recent lot sales. The minimum bid is set at market value, determined by an appraiser. People can place a minimum bid at that price or above in a sealed bid and the property is sold to the highest bidder. This tends to drive up the price of the lots by an average of 10% and increases the sale price.

Another option is a fair market lottery. The lot value would still be determined by appraisal and those interested in paying that price would put their name “in a hat” in hopes of being drawn. The party that wins the lottery would have to pay the appraised value for the lot.

Third option is to sell blocks of lots. This tends to make construction more efficient and is preferred by developers. We would use the sealed competitive bid approach but the difference would be that blocks of lots would be sold together at one sale.

These sale options would be blended in the subdivision so each user group would have an opportunity to buy lots.

The Lands Division has been aggressive at trying to get some of our lots into the Community Lands Trust during Stage 1. We have done this with previous land development projects, such as the Lena Subdivision and the Renninger Subdivision. Community Land Trust is a model where a trust owns the ground, and in previous cases, the university and high school has built houses on them. The buyers would buy the lots without buying the land, which is held in trust. This keeps the barrier to entry low because you are not buying the land. Lands does not know when the sale of Pederson lots will take place, what the fair market value of the land will be, or the capacity of the Land Trust to absorb more properties. Community Land Trust will probably start participating in Stage 2.

For Stage 1, Lands is looking at late summer or early fall for the first disposal pattern. Stages Two and Three would follow. This is a recommendation to the Assembly for disposal and an opportunity for multiply user groups to be involved.

We have a recommended motion that the Lands Committee recommend the Assembly adopt a blend of sale options for the Pederson Hill Lots, as depicted in figure 1 (in the staff report and on the PowerPoint), and forward further discussion concerning the of the sale of lots in Pederson Hill Subdivision to the Assembly Committee of the Whole.

Chair Becker called for questions.

Ms. Hughes-Skandijs had a comment about the lottery option, if it would be marketed to developers and if there would be a limit on entries for this model. Mr. Chaney replied that people could enter as many lotteries as they wanted and if their names were pulled then they would be disqualified for other drawings, but this could be refined. Ms. Hughes-Skandijs followed up, if this were to be forwarded to the Assembly, then this disposal pattern does not include any of the Land Trust. Mr. Chaney confirmed and said they are probably not ready for Stage 1.

Mr. Mertl commented that we have tracking this for a while and he was excited about this. Only offering 17 lots to begin with is a great way to test this. We want to keep this affordable. Ms. Gladziszewski asked how fair market value was determined. Mr. Chaney replied that the City would hire a licensed appraiser. Ms. Gladziszewski asked about the Lena Lots, if the last ones were sold in this way. Mr. Chaney replied that the Lena Lot sales were sold by sealed competitive bid after an appraisal. Ms. Gladziszewski asked if the data says that the Lena lots have gone above appraised value. Mr. Chaney replied that the lots have sold for slightly above appraisal. Ms. Gladziszewski asked if that data something we can get? Mr. Chaney responded affirmatively. Ms. Gladziszewski asked if this is the first time this particular committee has discussed this and if we have had public input. Mr. Chaney replied that this was discussed at earlier committee meetings and has been generally well received.

Ms. Hale moved that the Lands Committee recommend this blended option as depicted in figure 1 and forwards further discussion concerning the of the sale of lots in this manner of Pederson Hill Subdivision to the Assembly Committee of the Whole and asks for unanimous consent.

Unanimous consent confirmed.

B. Veterans for Peace

Mr. Chaney introduced the peace sign area located on Commercial Blvd next to Home Depot. Garrith McLean, a local surveyor, who worked on the Home Depot project in 2008, spearheaded this. The Lands Division manages the land and this was not authorized by the City. We have heard at least one complaint over the years, but mostly positive comments. It was originally laid out with top soil and volunteers have maintained this area over the years. The Veterans for Peace wrote us a letter to adopt this officially and turn it into a living art sculpture. Lands was concerned about slope stabilization and had the City Landscape Supervisor, Ben Patterson, look this over and discussed the idea with Veterans for Peace, who came up with a proposal. Lands is recommending a few conditions before they start work in collaboration with Juneau Urban Forestry Partnership. Those conditions are:

- The Veterans for Peace and Juneau Urban Forestry Partnership must notify the Lands Division prior to engaging in work and receive written permission from the Lands Manager before proceeding
- Volunteers must sign a liability waiver prior to engaging in work
- CBJ retains the right to halt work if the activities are increasing the risk of erosion or are causing harm to CBJ property
- CBJ retains the right at any time to remove any items or plants installed and re-vegetate the site

The Staff recommendation is for the Lands Committee to provide a motion of support to allow the Veterans for Peace and Juneau Urban Forestry Partnership to proceed with refurbishing the peace sign as proposed in their letter of February 16, 2019 and with conditions recommended by the Lands Manager.

Mr. Chaney opened the floor for questions and noted that representatives from Veterans for Peace were also available to answer questions.

Ms. Hale had a concern that since one complaint was received, the Assembly should vote on this. Mr. Chaney replied that Lands felt that issues like this were normally handled at the staff level and unless the Committee felt otherwise, was not recommending forwarding this proposal on to the Assembly.

Ms. Gladziszewski commented that she was ambivalent about that proposal and would not object to the motion but would move that the Lands Committee recommend the Lands Department to enter into an agreement with the recommended conditions. Ms. Hale objected to the motion and wanted to provide the COW an opportunity to review so that people could speak to this proposal. Mr. Watt commented that if the Assembly wants a public process then the Lands Committee should either forward to the Assembly as new business as the COW doesn't typically take public testimony or leave it as a low-lying issue.

Mr. Mertl commented that the peace sign is gorilla art and makes Juneau unique and is of the mind to let this go, but thinks the Lands Committee does need to set up a policy for future art installations on CBJ lands.

Chair Becker presented the motion on the floor and stated that we should support this and let the proposal proceed with the conditions presented by the Lands Division Staff.

> The Lands Committee provides a motion of support to allow the Veterans for Peace and Juneau Urban Forestry Partnership to proceed with refurbishing the peace sign as proposed in their letter of February 16, 2019 and with conditions recommended by the Lands Manager.

Three yes, one no, motion passes, Ms. Hale objecting.

C. Gunakadeit Park Resolution

Mr. Bleidorn discussed the request to lease Gunakadeit Park. The lease application was introduced at the Special Assembly meeting on 3/19/19. Staff wanted to get direction from the Lands Committee on the amendment to Resolution 1950, which would allow possession of alcohol in Gunakadeit Park. The sale of beer and wine was included in the application as presented to the PRAC, Planning Commission and the Lands Committee, and this was something we needed to address.

Staff is recommending that the Lands Committee pass a motion of support to full Assembly to remove Gunakadeit Park from Resolution 1950 if Gunakadeit Park is leased or otherwise disposed of.

Mr. Bleidorn called for questions.

Mr. Mertl commented that he did not believe this had come before the PRAC. Mr. Bleidorn replied that was correct, amendment to Resolution 1950 has not but the original application did include the sale of beer and wine. Mr. Mertl inquired if people can still drink after Deckhand Dave's is closed, is the site secure, and is there language that addresses these issues. Chair Becker reiterated the same reservations.

Mr. McCasland, owner of Deckhand Dave's, shared with the Committee the hours of operation, 11am – 8pm and he does not plan to sell alcohol past that time. He is required to have a fence to enclose everything, and he will have a security system and post signs.

Ms. Hughes-Skandijs, proposed a question for Mr. Bleidorn, to understand the process, this is going to be coupled with that specific lease and that decision would be made at the full Assembly where public comment would take place. Mr. Bleidorn replied that both the resolution to amend Resolution 1950 and the lease were not coupled but they will be presented at the April 1 Assembly. This resolution will be set up to sell alcohol if the City leases or sells the property to any entity, even if this lease were to fail.

Ms. Gladziszewski commented that this is parkland, and there is no reason to write the words, "otherwise disposed of," if we disposed of this lot, then it is not parkland anymore. It would be private land that we do not control. This should be connected to this lease and not any other lease. Ms. Gladziszewski's impression was alcohol that was banned in all parkland but there are only three places you cannot have alcohol. She do not object for this to go through while this business is leasing, but when it goes back to parkland alcohol should be prohibited.

Ms. Hale was concerned that this specific lease creates extra paperwork and would she prefer to make certain the language in the resolution is specific that the leaseholder is responsible for the fencing and security and this area would not be used afterhours. Ms. Hughes-Skandijs agreed that these conditions are to be tied to this lease and would not want it taken out of Resolution 1950, as other leases may not have a model that would involve alcohol sales. Mr. Mertl agreed that there might not be compatible uses in the future that could be leased on Gunakadeit Park that would be appropriate for alcohol.

Ms. Gladziszewski moved that the Lands Committee passed a motion of support to the Assembly for amending Resolution 1950 only if the property is leased to Franklin Foods LLC

Motion passes unanimously

D. Roger Ramsey Easement
Mr. Chaney introduced an easement proposal. PowerPoint slides indicate that the location is next to Lot 5, USS 3559 that has an existing easement. Lands received an application from Mr. Ramsey to apply for an easement with CBJ; he would also need to go through the State of Alaska for tideland access. We are recommending passing a motion of support for an access easement through CBJ property to his property, US Survey 3248.

Chair Becker called for questions.

Mr. Mertl asked what happens if the agreement does not happen. Mr. Chaney replied that that is a maintenance agreement and this is an approval for the concept. Mr. Bleidorn commented that the City has similar agreements for shared easements and the City does have the ability to grant overlapping easements but it is in Mr. Ramsey's best interest for applicant to work with adjacent property owners.

Chair Becker asked if there is any charge. Mr. Chaney replied that they have to pay fair market after an appraisal. Mr. Mertl asked if the public could also use this easement and if someone could use this to get on CBJ land. Mr. Bleidorn affirmed it would be open to pedestrians and to prevent unauthorized dumping that Lands would request that people put up a barrier for vehicular traffic.

Ms. Gladziszewski moved to support this motion and it received unanimous support.

E. City Housing Timeline
Mr. Chaney introduced Mr. Ciambor to discuss the CBJ affordable housing timeline.

For the past year, the Assembly has been talking extensively about housing incentives. There are four Initiatives that are currently being discussed; one of those is the Juneau Affordable Housing Fund, which has been discussed recently at the COW. A series of guidelines has been agreed upon with one final change to have extra points for loans in the scoring matrix of the fund. We are looking for guidance from Lands Committee on where to go next.

The second initiative is tax abatement for housing development. Previously discussed, the outcome was to bring back targeted language for tax abatement and downtown core or include denser town-centered type of areas around town.

Third initiative on the Gantt chart is the Senior Assisted Living discussion. Bayshire and the SCSSI approached the City with the concept of helping to get a senior housing proposal off ground. The latest discussion with them involved multiple steps. Does the City want to purchase the property, would we be the funding source for that property, do we want to put out a RFP, because if it would be City property, we could have the option to work solely with Bayshire. There is also a question of the future of the Mendenhall River. Another component is to obtain input from SCSSI and Bayshire.

The fourth initiative is the Pederson Hill lot disposal. The Housing Action Plan discusses workforce housing and is aware that once single-family homes hit the market they are no longer affordable. Land set aside for Community Land Trust is the only model that can ensure affordability for the future. Is there a strategy the City wants to pursue to meet the goals and actions of affordable housing?

Chair Becker called for questions.

Ms. Hale inquired about the first initiative, if the next steps are for the Assembly to discuss the Committee review process, if Mr. Ciambor could provide more information about that, and then to determine the FY20 JAHF funding availability, and to provide a recommendation. Mr. Ciambor replied that of the five initiatives, this is the furthest along with the City. The COW has discussed this in December with a proposal to acquire expertise on the review committee. July 1, the City will receive an additional $400,000 in funding. Mr. Ciambor recommends to move this initiative to the Assembly for final discussion and to approve the Juneau Affordable Housing fund round one in July.

Ms. Gladziszewski recalled the discussion when the Affordable Housing Commission was dissolved with talk of more than one public member to be involved and had no objections to staff members. Ms. Hale recalled discussing financers on the committee. Mr. Ciambor discussed bringing in experts from Alaska Housing and is open to local developers to be included but to make sure there is no conflict of interest.

Ms. Hale inquired if we recommend forwarding this, would it be possible to split these up into four different motions and if Committee recommendations could be included at the next scheduled meeting. Ms. Gladziszewski inquired what the plan to be accomplished at this Lands Committee meeting. Mr. Ciambor replied that was up to the Lands Committee with an urgency for the Senior Housing Assisted Living proposal and from Bayshire for Senior Housing.

Ms. Hale moved that the Lands Committee direct staff to prepare information concerning Initiative 1, discussing the committee review process and to determine the FY20 JAHF funding availability to the Assembly as a motion, and that the Lands Committee direct staff relative to Initiative 3, to discuss at the next Lands Committee a specific proposal for purchasing the property that is of interest for senior housing.

Ms. Gladziszewski asked if this should first go to COW. Mr. Ciambor replied that the Affordable Housing Fund Balance sheet has $600,000 with an additional $400,000 available after July 1; the Lands Committee could discuss this topic at the next meeting.

Ms. Hale proposed a motion that with Initiative 1, to discuss the review process and determine FY20 JAH funding availability and to forward the concept to an Assembly meeting for review. Chair Becker called for objections. Ms. Gladziszewski had no objections but followed up with a comment that the City should not put all of the money into this fund until more issues could be worked out. Mr. Ciambor replied that at an Assembly meeting, Assembly members would receive program guidelines, an application for the program, a balance sheet of the Affordable Housing funds, a dashboard to track those funds moving forward, and a summary of the committee structure.

Ms. Hale proposed a second motion, relative to Initiative 3, Task 2, funding for land purchase, and Task 3, request a proposal for the senior housing/assisted living project. She moved that the Lands Committee ask Mr. Ciambor to provide to the Lands Committee all of the information that needed to review and consider whether CBJ should purchase the land next to the Mendenhall River for the senior housing facility, and to be prepared for discussion and potentially move this to the COW or an Assembly meeting. Ms. Hughes-Skandijs commented that this goal should be urgent, as it has fallen through in the past. The Committee decided to consider the motions concurrently.

Chair Becker called for public comment. Kathleen Strasburg spoke on behalf of SCSSI and to inform the Committee that part of the urgency is that there is an earnest money agreement that needs to be extended for that property.

Chair Becker inquired if there was there a motion Ms. Hale affirmed that the motion is to direct staff to bring the information needed to the next Lands Committee so the Committee can consider and move forward on this issue.

Chair Becker noting no objections to the motions, they were confirmed by unanimous consent.

Mr. Ciambor replied that tax abatement could be taken up at a later meeting.

VI. STAFF REPORTS

A. Lena Lots Ordinance

Mr. Chaney provided an informational item that the Lands Division will be proceeding with the four lot Lena Subdivision land sale, which should be coming up in the spring. Lands has more land uphill to consider for development, but that would be after the Pederson Hill project has been complete.

Mr. Bleidorn commented that Lands is hoping to have an ordinance for introduction April 1, public hearing on April 22, and then to proceed with the lot sales. Lands will use the sealed competitive bid method, the same format as the other Lena lots.

Ms. Gladziszewski asked if these were the “eagle lots”. Mr. Chaney affirmed they were and that they were set aside for an eagle nest when the major subdivision was initially created but the nest is no longer being used, as confirmed by the U.S. Fish and Wildlife.

Chair Becker questioned April 1, Mr. Chaney replied that is when an ordinance will be introduced, then the next meeting will be the public hearing, then it will go up for adoption.

VII. COMMITTEE MEMBER / LIASION COMMENTS AND QUESTIONS

Mr. Mertl had no report from the Parks and Recreation Advisory Committee.

VIII. ADJOURNMENT

Chair Becker adjourned the meeting at 6:10PM.

MEMORANDUM

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

TO: **Assembly Lands Committee**

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

SUBJECT: **Vertical Bridge Request to Lease City Property – Crazy Horse Drive**

DATE: **April 4, 2019**

In March, the Lands Office received an application from Vertical Bridge Holdings LLC to lease City property on the 32 acre parcel located at the end of Crazy Horse Drive, in the Mendenhall Valley (Attachment A). This parcel (LND-0450) is the location of an existing 0.5 acre lease to the Southeast Alaska Food Bank and a 400 square foot lease to the FAA for the Low Level Windshear Alert System.

The proposed tower, which will be roughly 350 feet from the Food Bank, will accommodate multiple cellular carriers. The facility will provide needed cellular, data, and E911 services to the area. Vertical Bridge has requested a 75' X 75' lease area that will contain a 150' tower of monopole design, cellular ground equipment and backup generator(s). The facility would have security fencing and have the ground equipment alarmed for emergency service should it be required. It is unknown at this time if the proposed tower would require lighting, but Vertical Bridge would install tower lighting only if state or federal authorities required it.

53.09.260 - Negotiated sales, leases, and exchanges 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 the Assembly provides a motion of support to work with Vertical Bridge Holdings LLC., the proposed lease will then be reviewed by the Planning Commission and will be subject to the requirements of CBJ§49.65 Article 9, "Wireless Communication Facilities"

Staff recommendation:

The Lands Committee adopts a motion of support to the Assembly to work with Vertical Bridge Holdings LLC towards the lease of City Property contingent on a Planning Commission recommendation.

EXHIBIT A
Communication Tower Lease Area

The property boundaries are not survey quality.
This map is for general reference only.

Memorandum

City & Borough of Juneau
155 S. Seward Street • Juneau, AK 99801

From: Greg Chaney
Lands and Resources Manager

To: Assembly Lands Committee

Date: April 3, 2019

Re: Proposed Land Trade to Provide Right-of-Way Access to Eight Acres of CBJ Property Suitable for Residential Development

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The 2016 Land Management Plan identified an area of property listed as LND-1089 near Norway Point that was outside of mapped hazard zones. The Land Management Plan directed that this area be further investigated to determine if this location was suitable for residential housing. The 2016 Land Management Plan Implementation Strategy also identified this site as an area to investigate for appropriate housing proposals (Attachment 1).

CBJ's Emergency Program Manager, Tom Mattice reviewed existing hazard studies conducted in this area. There have been four studies carried out investigating mass wasting and avalanche hazards in this location and none have identified this area as hazardous. Therefore it looks probable that a band of residential development could be safely developed on the hillside above Norway Point on CBJ property (Attachment 2).

As with most of CBJ's land holdings, 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 in the vicinity. Unfortunately both routes would have to cross a dangerous and well documented high hazard avalanche zone. There is an alternative access route located at 1870 Glacier Highway adjacent to Aurora Arms Condominiums. This 60 foot wide vacant lot is currently owned by the Condominiums and is used for overflow parking. This lot is outside of the mapped hazard zone and is located along a straight section of Glacier Highway. This option would provide safe access to the eight acres of CBJ property uphill located outside of the mapped hazard zone.

Lands staff has been working 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% (Attachments 3&4).

This topic was brought to the Lands Committee on February 27 2017. The Committee unanimously forwarded a motion of support to the Assembly to continue to investigate options to purchase the vacant lot to provide access to CBJ owned property outside of the hazard zone.

Land Trade/Purchase Proposed

The vacant lot is owned by the Aurora Arms Condominiums Association so Lands and Resources staff has been discussing mutually agreeable terms with the Association to acquire this property.

The Aurora Arms Condominiums have been experiencing difficulty obtaining financing for their units because the structure does not comply with zoning regulations. This is because the building was built before the current D5 single-family zoning district was adopted for this neighborhood. Even if the lot was zoned for D18 multifamily development, the Aurora Arms property is too small to accommodate the 18 units which are on the lot. Since the property is out of conformance with zoning, financing sale of the units has become impossible. This means that at the present time, the units must be owner financed or cash sales are required. In order to remedy this situation, the Condominium Association is extremely interested in bringing their property into conformance with zoning.

Lands staff has been discussing options with the Association and have come up with a potential method for the condominium lot to be expanded to one acre while providing access to City property uphill. This concept would provide enough property to allow the condominiums to be in compliance if the property was rezoned to a D18 density. The Lands Division and the Association have agreed that land exchange would be the preferred method to accomplish accomplishing the goals of making the condominiums more compliant while providing access to CBJ's land. The trade would entail exchanging 0.4 acres of CBJ property uphill from Aurora Arms for the vacant lot that the Association owns and uses for overflow parking (Attachment 5).

As the details of this agreement were being discussed, the Association expressed concern that they use the vacant lot for overflow parking and they didn't want to lose this parking. As a result, CBJ and the Aurora Arms Condominium Association have developed a preliminary agreement. This agreement is provided to the Lands Committee as a template for a formal agreement that could be developed between the Association and CBJ.

Basic components:

- 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 the lot line adjustment that would 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.

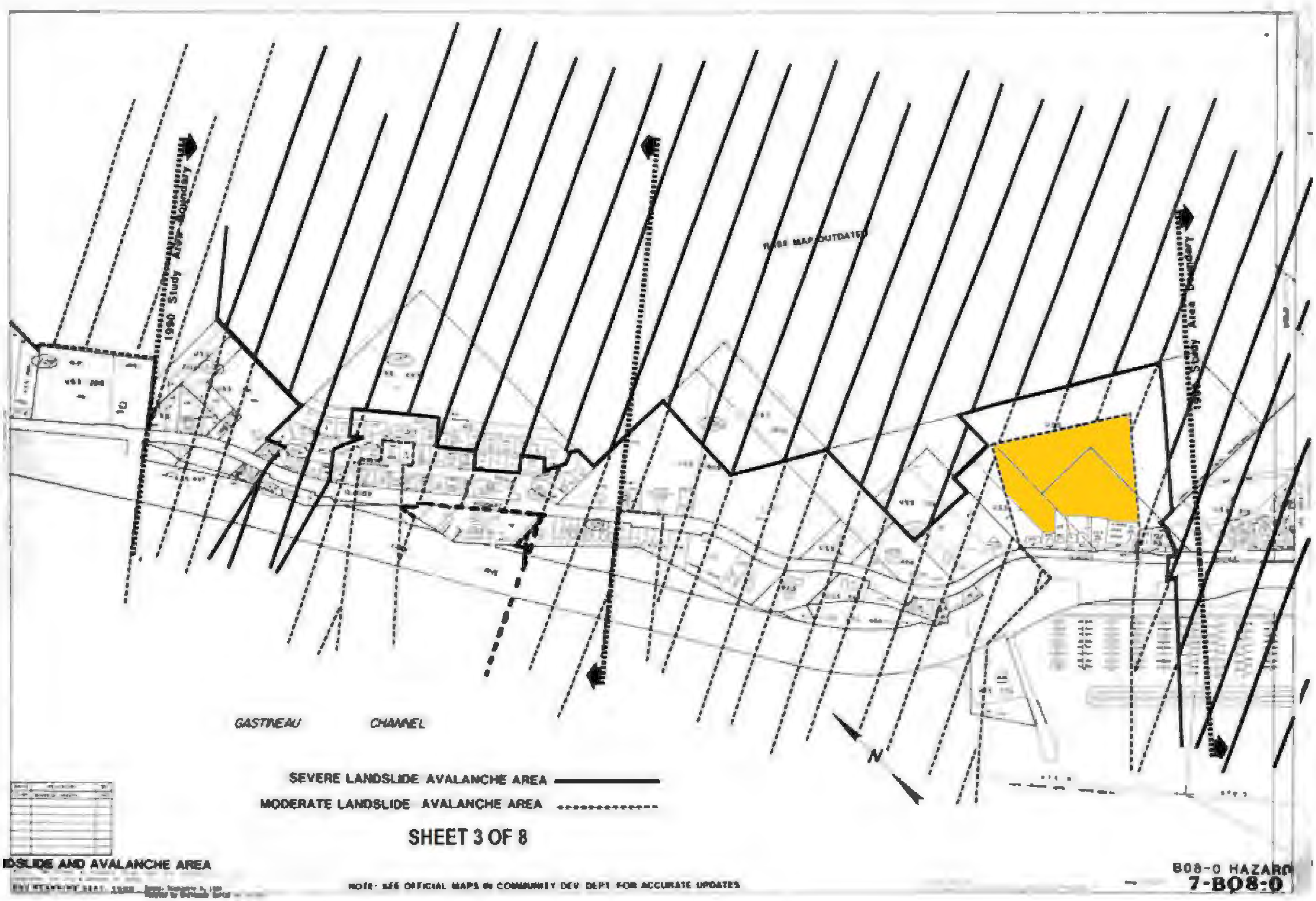
- When CBJ builds the proposed access road, CBJ will build a similar parking lot above the condominiums alongside the new road.

This agreement will be beneficial for both parties. Aurora Arms Condominiums will be taking a large stride toward being in full compliance with zoning regulations and the City will gain access to one of the last undeveloped areas near downtown that is not in a mapped hazard zone.

Staff Recommendation:

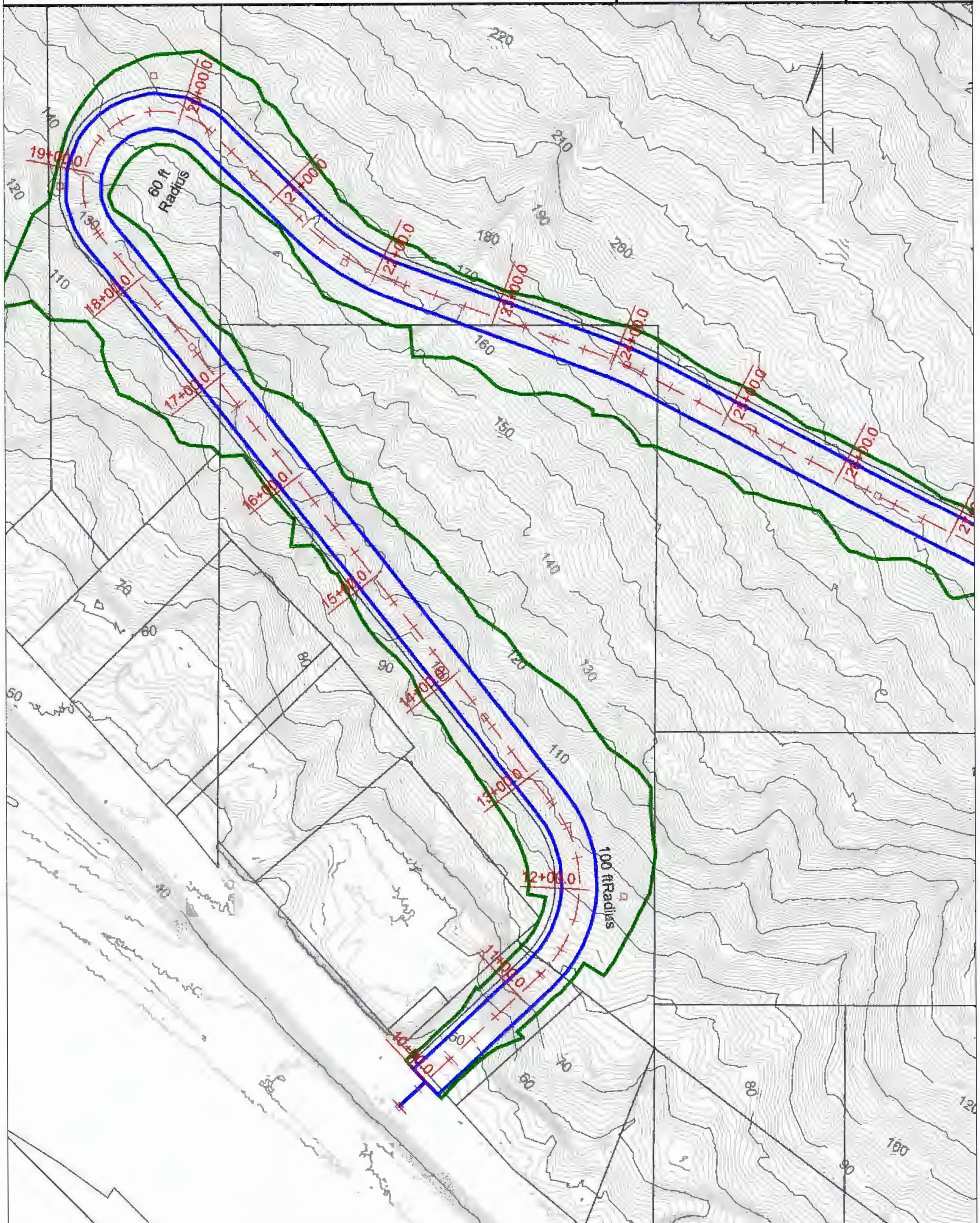
The Lands Committee adopts a motion of support for Lands Staff to draft a formal land trade agreement as outlined in this memo for review by the Lands Committee and full Assembly.


CBJ Property
Aurora Arms Condominiums
Subject Lot
Glacier Highway
Aurora Harbor

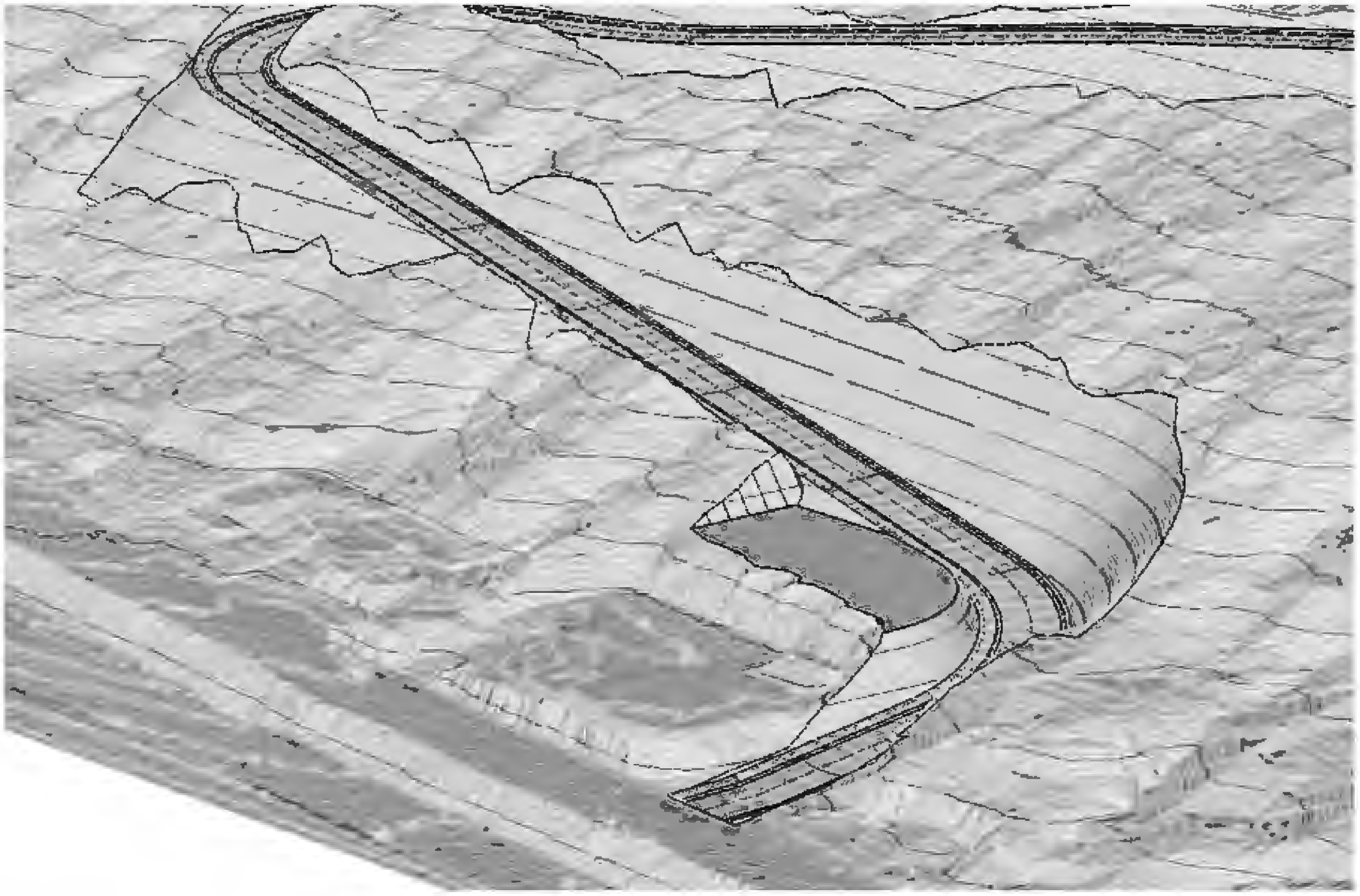


Attachment 2. Area outside of mapped hazard zone.

ROADENG Plan	Scale 1:1200	P. 1
C:\PROJECTS\Behrends subdivision extension\Access 1 - steep cut slope option		17/02/09



Attachment 3. Potential Access Road Alignment.



Attachment 4. Access Road Concept.

Attachment 5. Potential Land Trade between CBJ and Aurora Arms Condominium Association.

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
HOUSING PROGRAM

MEMORANDUM

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

Date: March 18, 2019
TO: Lands Committee
FROM: Scott Ciambor, Chief Housing Officer

Re: Senior Housing Assisted Living Proposal

Dear Lands Committee:

Here are updates to the discussion at the March 18, 2018 Lands Committee meeting.

As was discussed, staff does not believe that a senior assisted living housing project, as envisioned by SCSSI or the various for profit developers who have looked at the Vintage Park site in the past, to be economically feasible without additional project support.

Support could come from CBJ in three different ways (land, tax abatement, and/or grants). Staff believes that the Assembly will require a competitive process before relinquishing public funds to support development by a for-profit developer. Based on this logic, we recommend the Assembly consider an approach as follows:

1. **Land Purchase.** Securing the site will allow for a competitive process. If a competitive process is unavailing, or senior housing ceases to be a goal, the Assembly could dispose of the property in the future.

2. **Tax Abatement.** This is a complex topic but an incentive noted to consider in the Housing Action Plan for 1) senior housing, 2) workforce housing, and 3) housing in downtown.

   The Assembly could chose to enact tax abatement for housing in any number of ways, including perhaps, a phased approach that would consider abatement only for senior housing projects (low-income senior housing, assisted living, and nursing care/skilled nursing).

   There are many resources on how municipalities approach the use of a tax abatement incentive.

3. **Competitive Process.** After completing steps 1 and 2, the Assembly could then consider a competitive process for disposal of the land to a senior housing for profit developer.

Land Purchase & CBJ Funding for Purchase

	Project Details
Legal Description	Lots 31 through 38 Vintage II Subdivision Block C according to Plan 85-58, Juneau Recording District, First Judicial district, State of Alaska
Site Size	Approximately 2.39 acres at Vintage Business Park
Current Zoning	Light Commercial
Appraisal	December 7, 2016
Property Status	Purchase and Sales Agreement Currently assigned to Torrey Pines development/Bayshire Senior Living for $1,519,000 (Note: Bayshire is willing to relinquish their option).

CBJ§53.04.020 allows for acquisition of real property by purchase or eminent domain at a price the manager determines does not exceed fair market value.

Appraisal:
If the Assembly approves the concept, staff would acquire an updated appraisal.

Pre-Development and the Mendenhall River: SCSSI, Inc. and Marathon Development completed significant pre-development work that covered the future impacts of the Mendenhall River. Engineers have concluded that erosion risks can be mitigated.

Staff recommendation:
- Update appraisal;
- Motion to recommend funds from Fund Balance for purchase of the property; and
- Forward issue to Assembly or COW for action or further Assembly discussion.

Tax Abatement
Previous attempts to develop assisted living projects in Juneau, including the 2017 SCSSI, Inc. and Marathon Development proposal at the Vintage Park site have indicated a large feasibility gap due to land costs, construction costs, and the cost associated with acquiring conventional and equity financing.

Based on information received from several developers, staff recognizes that a CBJ contribution of the land purchase alone will likely not bridge the feasibility gap to get the project to the development stage.

Another incentive will be necessary to help fill the gap. (Grants/loans or tax abatement)

- Tax abatement became an option for municipalities in Alaska in 2016 through the passage of SB 100. Tax Abatement was discussed at March 30, 2018 FC and August 09 COW
- There are many resources that show how tax abatement can help communities meet housing goals:
    - Local Housing Solutions: Tax Abatement Overview
    - 2019 Anchorage Tax Exemption Ordinance

To implement a housing tax abatement program these are the main questions that have to be decided:

Tax Abatement - Municipal Decisions	
1.Types of Housing Eligible	• Multi-family • Low-income/special needs (Tax credit, public housing,) • Senior Housing (multi-family, assisted living, dementia care)
2. Targeted Area for Tax Abatement	• Specific neighborhoods • Areas targeted for economic development (downtown, around transit centers) • Entire municipality
3. Length of Tax Abatement	• Range between 0 to 25 years
4. Tax Exemption Coverage	• New residential • Both land and residential
5. Affordability Requirement	• Many programs require a certain percentage of units to be affordable in order to qualify for the tax exemption.

Staff recommendation:
Consider next steps for tax abatement for housing discussion – perhaps senior specific. Request staff to draft up a starting proposal so that the Assembly has something to help it formulate policy decisions.

Submitted by: Chair of the Assembly at the Request of the Mayor
Prepared by: Dept. of Law
For reading: January 15, 2019

ANCHORAGE, ALASKA
AO No. 2019-12, As Amended

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY TO INCENTIVIZE THE CREATION OF HOUSING IN THE CENTRAL BUSINESS DISTRICT BY AMENDING ANCHORAGE MUNICIPAL CODE TITLE 12 TO ADD A NEW CHAPTER 12.60 *TAX INCENTIVES FOR HOUSING*; AMENDING THE FINE SCHEDULE IN ANCHORAGE MUNICIPAL CODE SECTION 14.60.030 TO INCLUDE FINES FOR VIOLATIONS OF RELATED REPORTING OBLIGATIONS; AND AMENDING COMPUTATION OF THE MAXIMUM ATTAINABLE TAX REVENUE UNDER THE TAX CAP, ANCHORAGE MUNICIPAL CODE CHAPTER 12.25.

WHEREAS, state law governs the Municipality's ability to grant property tax exemptions; and

WHEREAS, Alaska Statute (AS) 29.45.050(m) permits municipalities to partially or totally exempt all or some types of "economic development property" from property taxes; and

WHEREAS, in 2017 the Alaska Legislature amended AS 29.45.050(m) to, among other things, permit a municipality to exempt "economic development property" from taxation if doing so will "enable" a significant capital investment in physical infrastructure that (i) expands the tax base of the municipality; and (ii) will generate property tax revenue after the exemption expires," section 5, Chapter 9, SLA 17; and

WHEREAS, surveys conducted by the Anchorage Economic Development Corporation consistently indicate that "downtown" is the "#1 neighborhood where people want to live"; and

WHEREAS, for a variety of reasons, the Central Business District, which encompasses much of downtown, is a particularly expensive place to build, and few housing units are available or being constructed; and

WHEREAS, the Anchorage Housing Market Analysis commissioned by the Municipality of Anchorage in 2012 endorses the creation of redevelopment strategies and funding solutions to address the housing shortage and to help close the feasibility gap of medium- and high-density housing; and

WHEREAS, the Anchorage 2020 and the Anchorage Downtown Comprehensive Plan identify the creation of redevelopment and reinvestment incentives as essential strategies to encourage residential and commercial mixed-use redevelopments in aging and under-utilized areas; and

WHEREAS, by providing tax incentives, the Municipality seeks to encourage the development of additional housing units within the Central Business District for the purpose of spurring additional economic development and renewal in a vital portion of the Anchorage community; and

WHEREAS, by incentivizing economic development in the form of additional housing and growing the residential population of downtown, the tax exemptions enacted by this ordinance should both expand the tax base of the municipality and generate property tax revenue after the exemption expires; and

WHEREAS, to ensure the municipality grants a tax exemption only for the creation of new housing, this ordinance (a) requires that (i) a minimum of four (4) new residential units are constructed on the property, (ii) the construction increases the total number of residential units on the property, (b) exempts taxes only upon completion of construction, and (c) thereafter requires annual reporting to ensure that the exempted residential units remain in place for so long as the exemption remains in place; and

WHEREAS, the maximum attainable tax revenue available under the tax cap, Anchorage Municipal Code (AMC) Chapter 12.25, is increased by the taxes on residential units for the fiscal year after any tax exemption attributable to those residential units expires or otherwise terminates; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Anchorage Municipal Code is hereby amended to enact a new chapter 12.60 *Tax Incentives for Housing* to read as follows:

12.60.010 Property tax incentives for housing; location.

This chapter authorizes property tax exemptions for construction of new residential units, provided a minimum of four (4) new residential units are constructed and the construction increases the total number of residential units on property located entirely within:

1. The Central Business District.

12.60.015 Property tax incentives for housing; exclusions.

Deteriorated property as defined in AMC 12.35.005 and economic development property for which an application has been filed and is under review, or has been granted pursuant to AMC 12.35.040 are not eligible for this housing tax incentive. Submission of an application for exemption pursuant to this chapter shall automatically terminate any existing deteriorated property or economic development property application or designation for the subject property.

12.60.020 Applications for property tax exemptions.

A. *Submission*. An application for an exemption under this chapter shall be made in writing to the chief fiscal officer, or the chief fiscal officer's designee, prior to construction of new residential units (applications made after construction on the residential units begins shall be rejected).

B. *Contents.* The application shall, at a minimum, contain:

1. *Name.* The name of the applicant;

2. *Address*. The legal description and street address of the property for which the application is made;

3. *New residential units*. Drawings of the residential units that the applicant will construct, including a floor plan that includes approximate square footages;

4. *Existing structures*. Drawings showing the square footage of all existing structures and structures to be constructed on the property;

5. *Increase in residential units*. Plans showing the construction will increase the total number of residential units on the property;

6. *Acknowledgement of liability*. Applicant acknowledges that the residential units will be taxable if and when the residential units are no longer eligible for tax exemption under this chapter; and

7. *Other information.* Other information as may be required by the chief fiscal officer.

C. *Deadline for applications.* Applications for an exemption under this chapter shall only be accepted before 5:00 p.m. February 29, 2024.

12.60.030 Provisional approval.

The chief fiscal officer, or the chief fiscal officer's designee, shall provisionally approve an application for tax exemption if:

1. *Complete application*. The applicant submitted a complete application; and

2. *Four or more additional units.* The applicant acknowledges it must (a) construct not less than four (4) new residential units in accordance with the plans and drawings submitted with its application, and (b) increase the total number of residential units on the property in order to receive final approval under AMC 12.60.040.

12.60.040 Final approval upon completion of construction of new

housing; magnitude; duration; recording.

A. *Final approval of exemption.* The chief fiscal officer, or the chief fiscal officer's designee, shall finally approve an application for tax exemption if (a) the applicant has completed construction of residential units in accordance with the plans and drawings submitted with its application and a Certificate of Occupancy has been issued pursuant to AMC 23.10.107.4 for each structure that contains a residential unit described in the application, and (b) the total number of residential units on the property has increased.

B. *Magnitude of exemption.* The taxes eligible for exemption under this AMC chapter 12.60 are those attributable only to the newly constructed residential units, exclusive of previously existing residential units (whether or not remodeled), all non-residential improvements, and land, determined on a spatial basis as follows: The square footage of the newly constructed residential units shall be divided by the square footage of all structures on the property, then multiplied by the assessed value of all improvements on the property and by the mill rate applicable to the property.

C. *Duration of tax exemption*. Tax exemptions approved under this section shall be for a period of twelve (12) consecutive years beginning on January 1 of the first full calendar year after final approval of the application.

D. *Recording of exemption*. The chief fiscal officer, or the chief fiscal officer's designee, shall memorialize the terms of an exemption granted under this chapter in a memorandum recorded in the Anchorage Recording District and kept on file in the Treasury Division of the Municipal Finance Department.

12.60.050 Termination of exemption upon reduction in number of residential units.

An exemption granted under this chapter shall terminate immediately if and when the number of residential units on the property is less than the number existing at the time of final approval of the application under AMC 12.60.040.

12.60.060 Appeals.

Any decision of the chief fiscal officer or the chief fiscal officer's designee under this AMC Chapter 12.60 may be reviewed by the Office of Administrative Hearings in accordance with AMC Chapter 3.60.

12.60.070 Annual reports of owners; Assembly notification.

A. *Annual compliance and status report*. Not later than March 15 of each year, the owner of the property for which an exemption has been granted, shall file with the chief fiscal officer, or the chief fiscal officer's designee, a report including:

1. *Occupancy.* A statement of occupancy and vacancy of the residential units for the prior twelve (12) months;

2. *Residential units remain as described*. A certification that the newly constructed residential units described in the application continue to exist and have not been converted to a non-residential use;

3. *Further changes.* A description of physical changes or other improvements constructed since the last report or, on first report, since the filing of the application; and

4. *Additional information.* Any additional information requested by the chief fiscal officer or designee.

B. *Annual reports to the Assembly*. The chief fiscal officer, or the chief fiscal officer's designee, shall transmit annual reports to the Assembly in an Assembly Information Memorandum that contains:

1. *Annual reports of property owners.* Copies of annual compliance and status reports submitted by property owners in accordance with AMC 12.60.070A.

2. *Annual report of exempted taxes.* A summary of the total taxes exempted for each property that has been granted a tax exemption under this chapter.

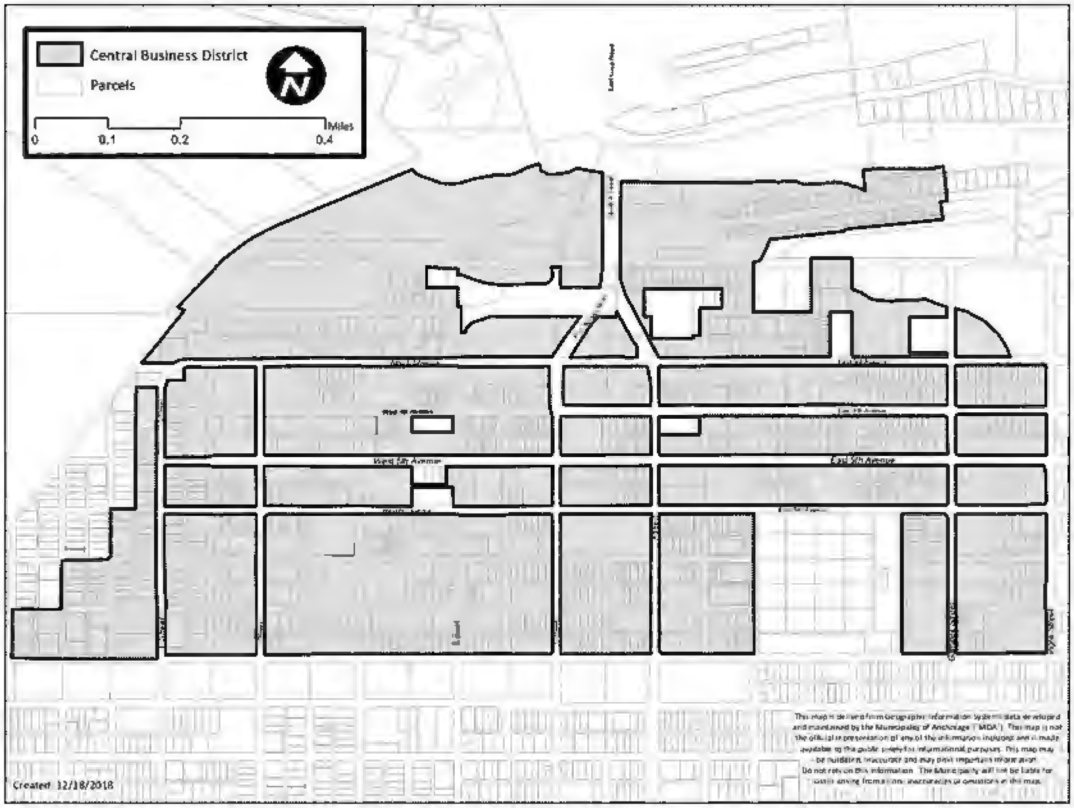
<u>3. *Annual report of applications and status.* A summary list of each complete application for an exemption under this chapter received by the chief fiscal officer or designee, the status (rejected, provisional approval, or final approval), number of units proposed, under construction and completed, and the parcel address or description of location.</u>

12.60.900 Definitions

In this chapter,

(1) "Central Business District" means properties located within the boundaries of the downtown City Center designation in the adopted Anchorage 2040 Land Use Plan substantially as depicted below. This includes properties located west of Ingra Street; north of 9th Avenue; east of the bluff generally running along Coastal Place, M Street, N Street, and O Place; and generally south of Ship Creek. Applicants should refer to the official 2040 Land Use Plan Map available online or from the

municipal Planning Department:



(2) "Construction" has the same meaning set forth in AMC 21.14.040.

(3) "Residential unit" means a dwelling unit as defined in AMC 21.14.040 which is either[~~, but not designed or used as transient accommodations and not including hotel or motel units; the term includes~~] owner-occupied or only[~~rental accommodations that are~~] leased for [~~a~~]periods of at least one (1) month.

Section 2. AMC 14.60.030 is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out)*:

14.60.030 Fine Schedule

The fine schedule under this chapter is as follows:

Code Section	Offense	Penalty / fine
* * *	* * *	* * *
12.60.070	Failure to File Annual Housing Tax Exemption Report	10% of Taxes Exempted in the

		Prior Year
* * *	* * *	* * *

Section 3. AMC Chapter 12.25 is hereby amended to read as follows (*the remainder of the chapter is not affected and therefore not set out)*:

12.25.020 Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Additional services includes but is not limited to services added by the creation or alteration of a service area.

Current fiscal year means the fiscal year in which the next fiscal year budget is prepared.

Fiscal year means the fiscal year of the municipality. School system fiscal year figures will be for the current year, i.e., that which commenced during the municipal fiscal year.

Next fiscal year means that which follows the current fiscal year and for which the new budget is being prepared.

Percentage increase in the Federal Consumer Price Indices (CPI) means the changes in the annual CPI.

<u>*Previously exempt property* means real or personal property exempt under AMC Title 12 in the current fiscal year but taxable in the next fiscal year.</u>

Prior fiscal year means the fiscal year immediately preceding the current fiscal year.

Property improvements means any improvement which increases the full and true value of real property.

Special tax means any tax levied under a new authority to tax approved by the voters at a regular or special election, including an authority for a specified rate of taxation.

12.25.040 Computation of maximum attainable tax revenue amount.

B. Define exclusions in accordance with Charter section 14.03(b)[(2)] and the following guidance:

1. Taxes on new construction or property improvements <u>and previously exempt property</u> not assessed in the current fiscal year taxed at the same

rate as that applied to like properties for the current fiscal year.

Section 4. This ordinance shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this _______ day of ______________, 2019.

____
Chair

ATTEST:

____
Municipal Clerk

Land Purchase

Tax Abatement

Competitive Process


Lots 31A - 38
Clinton Dr
Postal Way
Vintage Blvd
0017
Riverside Dr
Clinton Dr
Vintage Blvd

Lots 31 through 38 Vintage II Subdivision

Senior Housing Assisted Living Proposal

Project Details	
Legal Description	Lots 31 through 38 Vintage II Subdivision Block C according to Plan 85-58, Juneau Recording District, First Judicial district, State of Alaska
Site Size	Approximately 2.39 acres at Vintage Business Park
Current Zoning	Light Commercial
Appraisal	December 7, 2016
Property Status	Purchase and Sales Agreement assigned to Torrey Pines Development/Bayshire Senior Living for $1,519,000. (Note: Bayshire is willing to relinquish their option)

Appraisal

- If the Assembly approved the concept, staff would acquire an updated appraisal.

Pre-Development and the Mendenhall River

- SCSSI, Inc. and Marathon Development completed significant pre-development work that covered the future impacts of the Mendenhall River. Engineers have concluded that erosion risks can be mitigated.

Staff recommendation:

- Update appraisal;
- Motion to recommend funds from Fund Balance for purchase of the property; and
- Forward issue to Assembly or COW for action or further Assembly discussion.

Tax Abatement

This is a complex topic but an incentive noted to consider in the Housing Action Plan for:

1) senior housing;
2) workforce housing; and
3) housing in downtown.

Tax Abatement: Questions to Answer

1.Types of Housing Eligible	• Multi-family • Low-income/special needs (Tax credit, public housing,) • Senior Housing (multi-family, assisted living, dementia care)
2. Targeted Area for Tax Abatement	• Specific neighborhoods • Areas targeted for economic development (downtown, around transit centers) • Entire municipality
3. Length of Tax Abatement	• Range between 0 to 25 years
4. Tax Exemption Coverage	• New residential • Both land and residential
5. Affordability Requirement	• Many programs require a certain percentage of units to be affordable in order to qualify for the tax exemption

Tax Abatement Resources

- Local Housing Solutions: Tax Abatement Overview

- Anchorage Downtown Tax Abatement Ordinance

Tax Abatement Parameters

1. Applies to construction of four or more additional units.
2. Chief Fiscal Officer approves application.
3. Only applies to newly constructed residential units (not current units, or land).
4. Period of 12 consecutive years.

Staff recommendation:
Consider next steps for tax abatement for housing discussion – perhaps senior specific.

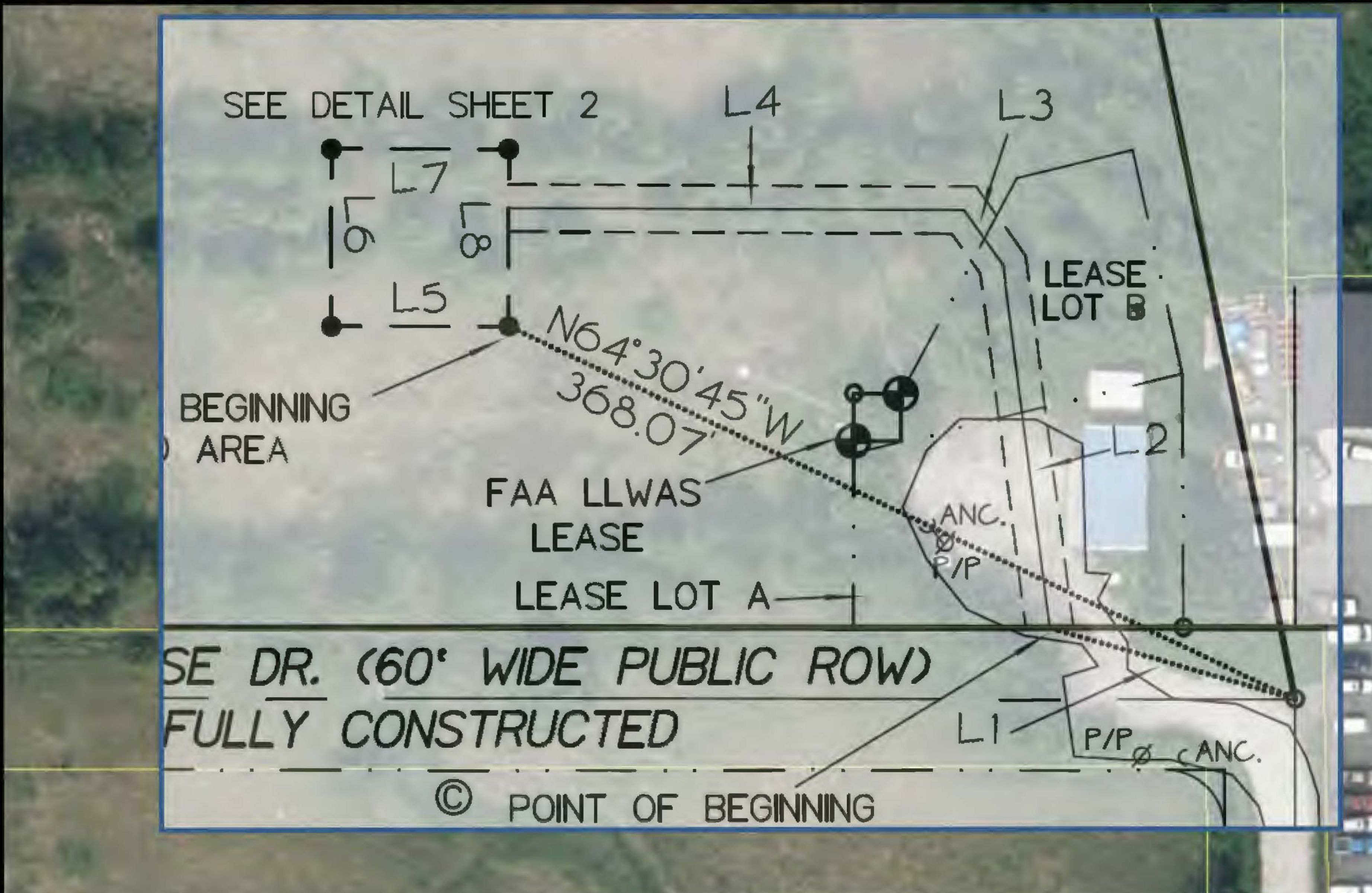
Request staff to draft up a starting proposal so that the Assembly has something to help it formulate policy decisions.

April 8, 2019

CBJ Assembly Lands Committee

CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

Vertical Bridge Request to Lease City Property



SEE DETAIL SHEET 2
L4
L3
L7
L6
L8
L5
LEASE
LOT B
N64°30'45"W
368.07'
BEGINNING
AREA
L2
FAA LLWAS
LEASE
ANC.
P/P
LEASE LOT A
SE DR. (60' WIDE PUBLIC ROW)
FULLY CONSTRUCTED
L1
P/P
ANC.
© POINT OF BEGINNING

Staff Recommendation:

The Lands Committee adopt a motion of support to the Assembly to work with Vertical Bridge Holdings LLC towards the lease of City Property contingent on a Planning Commission recommendation.

Aurora Arms Land Trade

February 27 2017

Lands Committee supports Lands Staff continuing 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.

CBJ Property
Aurora Arms Condominiums
1870
GLACIER AVE
Aurora Harbor
HARBOR WAY
EGAN DR
EGAN DR


GASTINEAU
CHANNEL
SEVERE LANDSLIDE AVALANCHE AREA
MODERATE LANDSLIDE AVALANCHE AREA
SHEET 3 OF 8
NOTE: SEE OFFICIAL MAPS IN COMMUNITY DEV. DEPT. FOR ACCURATE UPDATES
N
BASE MAP OUTDATED

Obtain Access to CBJ Land (LND-1089, Above Norway Point)

Map No. 18: 2016 Land Management Plan (Page 29)

Short Term (1 yr)

Analysis: Evaluate suitability of site for housing development with CBJ Emergency Services Staff.

Mid Term (1-2 yrs)

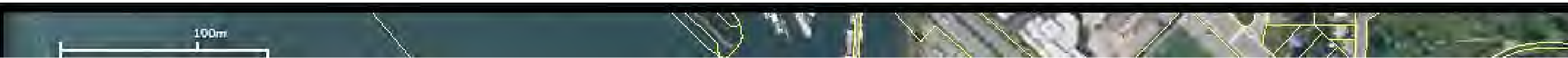
Develop Feasibility Study Parameters: Draft a construction feasibility study proposal and evaluate geophysical hazards associated with this location.

Long Term(2+ yrs)

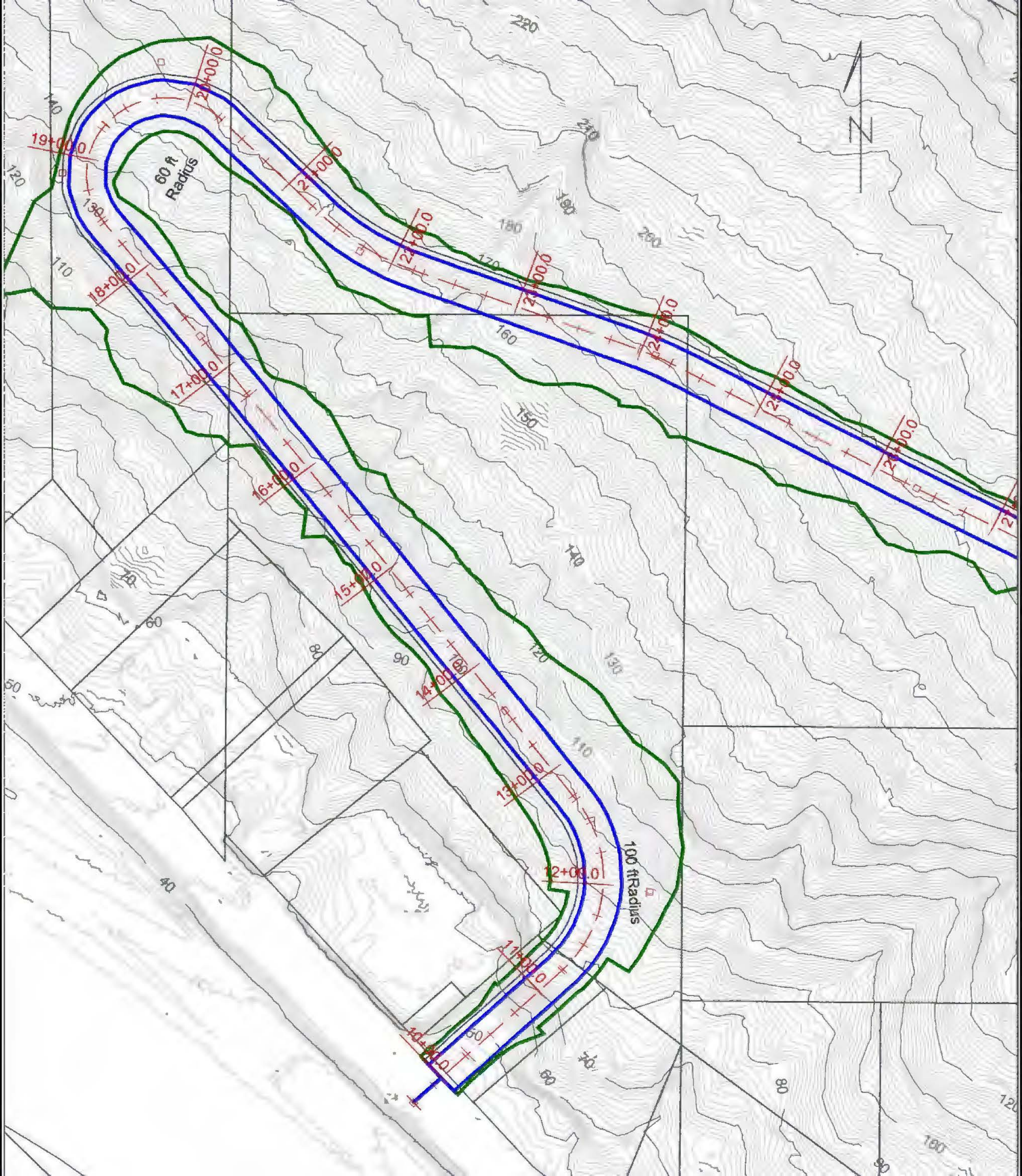
Housing Proposals: If appropriate, devise housing proposals to suit the region.

CBJ Lands Outside of Mapped Hazard Zone Surrounded by Solid Line

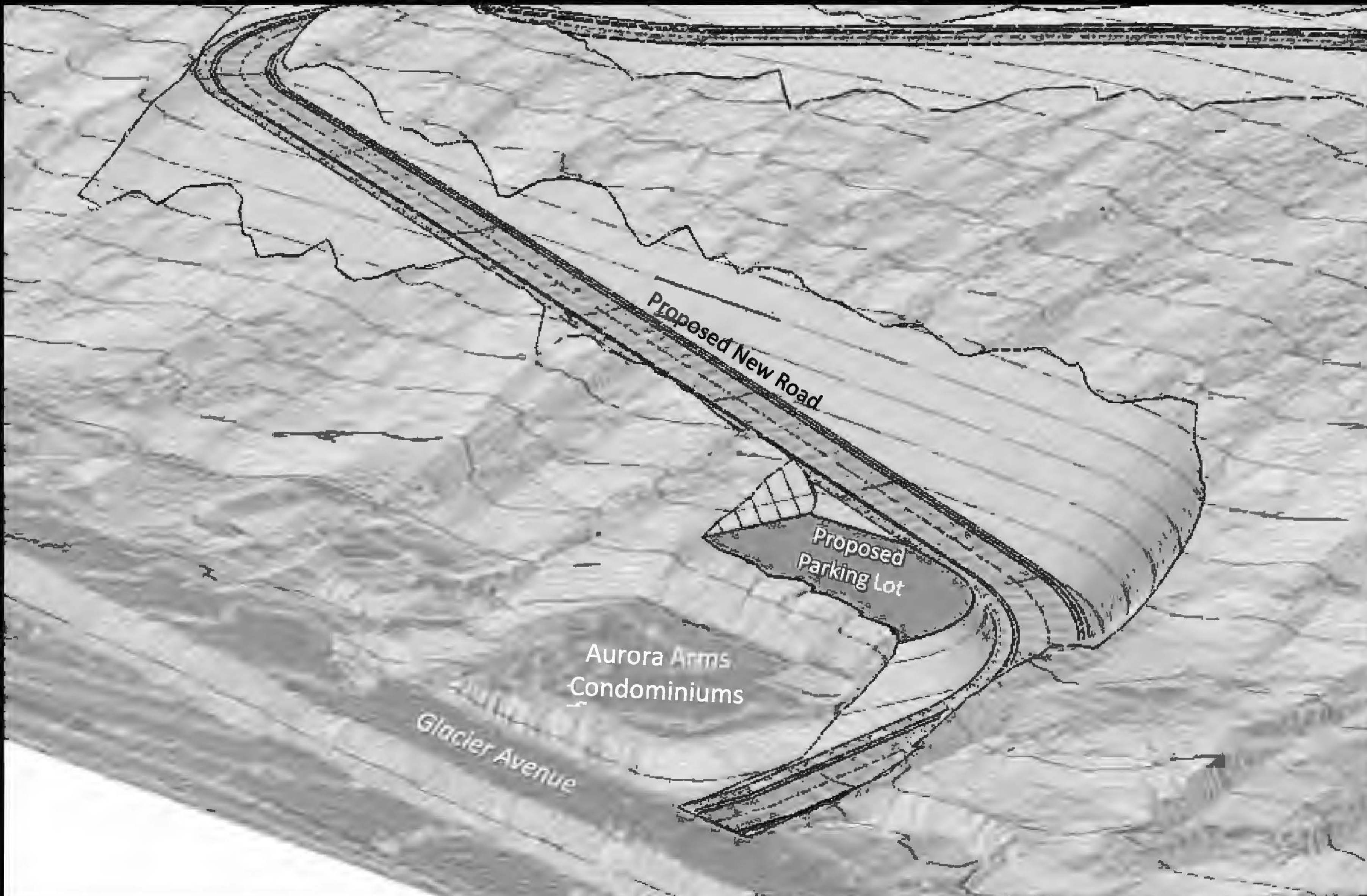
Dotted Line – Moderate Hazard Zone

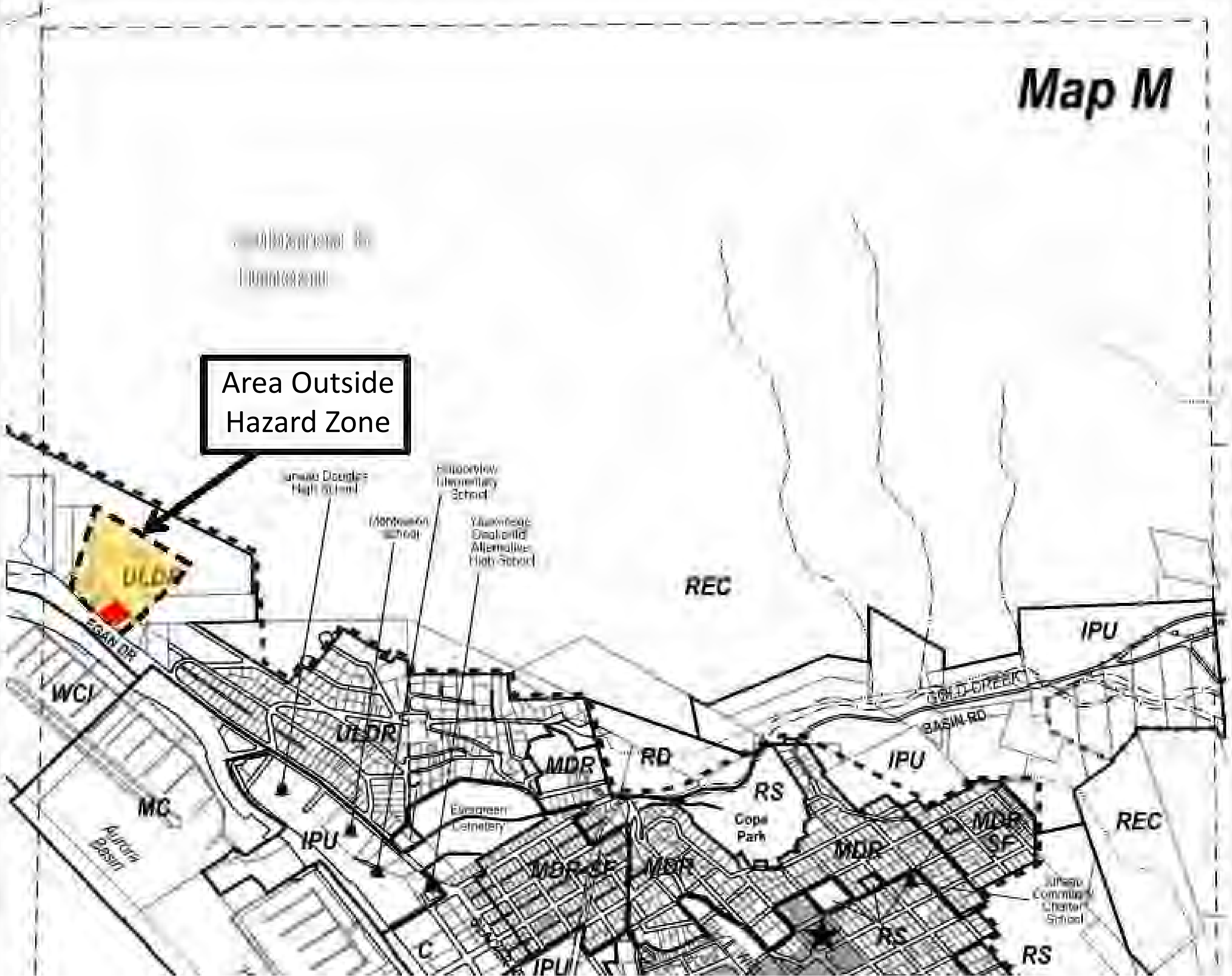



Future CBJ Right-Of-Way
Future Aurora Arms Property
0.4 Acres
Total Lot Area
1.0 Acres
Aurora Arms
0.6 Acres



N
60 ft Radius
100 ft Radius
10+00.0
11+00.0
12+00.0
13+00.0
14+00.0
15+00.0
16+00.0
17+00.0
18+00.0
19+00.0
20+00.0
21+00.0
22+00.0
23+00.0
24+00.0
25+00.0
26+00.0


Proposed New Road
Proposed
Parking Lot
Aurora Arms
Condominiums
Glacier Avenue



Map M
Area Outside Hazard Zone
ULDR
REC
IPU
GOLD CREEK
BASIN RD
EGAN DR
WCI
ULDR
MDR
RD
RS
IPU
Cope Park
MDR-SF
MC
IPU
Evergreen Cemetery
REC
MDR
MDR-SF
MDR
RS
C
RS
IPU

Basic Components of Proposed Trade

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 the lot line adjustment that would 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~~ either party 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.


Approximate Configuration
To Aurora Arms
To CBJ
GLACIER AVE
EGAN DR
EGAN DR
HARBOR WAY

Recommendation:

The Lands Committee adopt a motion of support for Lands Staff to draft a formal land trade agreement as outlined in this memo for review by the Lands Committee and full Assembly.

Land Purchase

Tax Abatement

Competitive Process


Lots 31A - 38
Clinton Dr
Postal Way
Vintage Blvd
0017
Vintage Blvd
Clinton Dr
Riverside Dr

Lots 31 through 38 Vintage II Subdivision

Senior Housing Assisted Living Proposal

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