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, Michelle 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 1 completed with a plan of building three stages to create an 86-lot subdivision. The Lands Division is hoping to offer a couple of innovative 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 multiple 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 forward 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 guerrilla 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, Deckhand Dave's owner, shared with the Committee hours of operation, 11am – 8pm, and will not 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 does 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 prefer to make certain the language in the resolution that is specific that the leaseholder would be 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 pass a motion of support to the Assembly to amend 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. The location is next to Lot 5, USS 3559 and has an existing easement. Lands received an easement application from Mr.

Ramsey. He noted that he would also need to go through the State of Alaska for tideland access. Lands is recommending passing a motion of support for an access easement through CBJ property to his property, USS 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 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 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 none 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 needS 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, all 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 4 lots in the 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.