

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

January 14, 2019, 5:00 PM.

Assembly Chambers

I. ROLL CALL

A. Welcome Roxie Duckworth

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

A. November 19, 2018 Draft Minutes

IV. PUBLIC PARTICIPATION

(Not to exceed a total of 10 minutes nor more than 2 minutes for any individual).

V. ITEMS FOR ACTION

A. Vertical Bridge Lease Amendment

B. South Lena Subdivision Land Sale

VI. STAFF REPORTS

A. Overview of CBJ's Gravel Pits and Quarry Operations

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

VIII. SUPPLEMENTAL MATERIALS - RED FOLDER ITEM

A. January 14, 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**

November 19, 2018 5:00 P.M.
City Hall, Assembly Chambers

I. ROLL CALL

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

Members Present: Mary Becker; Michelle Hale; Maria Gladziszewski; Wade Bryson

Liaisons Present: Chris Mertl, Parks & Recreation; Paul Voelckers, Planning Commission;

Staff Present: Greg Chaney, Lands Manager; Dan Bleidorn, Deputy Lands Manager;

II. APPROVAL OF AGENDA

Mr. Chaney requested that Item A, the Land Trade proposal be moved to the end of the agenda as the applicant was running late.

The Committee agreed to move the item and approved the agenda.

III. APPROVAL OF MINUTES

Ms. Becker pointed out that on page 4 the word “develop” was misspelled and asked that that be corrected. The 10/22/18 minutes were approved as corrected.

IV. PUBLIC PARTICIPATION

There was no public participation on non-agenda items.

V. AGENDA TOPICS

A. Easement Request from ADOT&PF

Mr. Chaney presented outlining the straightforward request for a “handful of easements.” The easement requests are based on the need to revitalize some existing culverts near Twin Lakes. The first two are temporary access easements located just above the Twin Lakes area and are both relatively small areas. These two are intended to help provide access for rehabilitation of some culverts. There is also a request for four relatively small permanent easements which are needed because the culverts as installed extend a bit further than the original easement allowed. Mr. Chaney continued stating that the change in easements will not be likely to change anything on the ground, but will be more straightforward for legal purposes. Mr. Chaney noted that there is also a request for one construction easement to allow for access during construction to repair and realign a culvert. Mr. Chaney recommended that the Lands Committee pass a motion of support for these easements and that they be granted for fair market value.

Ms. Hale noted that on page 47 of the packet the staff report states that an agreement to do these exchanges with no cost has been proposed but an agreement has not been signed at this point. Ms. Hale asked if that agreement should be pursued to limit the need to determine fair market value in the future. Mr. Chaney answered that that would be great for the future, noting that those agreements take time to develop and that the most expedient agreement for this topic at this time is to proceed with fair market value and pursue a memorandum of agreement

with the State in parallel. Ms. Hale suggested that staff continue pursuing an agreement and move forward on this case.

Ms. Becker asked if the temporary, construction, and permanent easements would all be for fair market value. Mr. Chaney indicated that they would. Ms. Becker asked how long the permanent easements would be in place. Mr. Chaney stated that it is similar to purchasing a property right, the price is paid once and the rights go on in perpetuity.

Ms. Gladziszewski moved that the Lands Committee support two temporary access easements, four permanent easements, and a temporary construction easement to be granted to DOT for fair market value for the Glacier Highway, Twin Lakes Drive, Lemon Road culvert rehabilitation project.

Mr. Mertl asked if the land was all CBJ managed parklands. Mr. Chaney replied that it is. Mr. Mertl wanted it noted that it was Park land; he stated that he didn't think the PRAC would object to this proposal but wondered if it should be heard before the PRAC. Mr. Mertl added that there is a trail and landscaping in the area and that there is a pretty significant Japanese knotweed issue in that area. Ms. Becker asked staff if the issue should go before the PRAC and Mr. Chaney replied that the Committee can determine that.

Mr. Greg Weinart (spelling?), chief of Right of Way for the South coast region for the AKDOT&PF, was asked to address the Assembly. Mr. Weinart stated that the property in question is a 4F property (designation by that National Environmental Policy Act, 4F property is publically owned parkland and wildlife preserves and are protected pretty stringently by NEPA). He stated that any issues with impacts were addressed in the NEPA document and the projects in question were considered to not have significant impacts to the environment. He stated that the State would be glad to take the issue before the PRAC if the Committee so desires.

Ms. Gladziszewski moved that the Committee move this forward to the PRAC and if the PRAC objects have the issue come back to Lands, but if the PRAC does not object the issue can move forward.

Mr. Voelckers asked if there was a time constraint. Mr. Weinart stated that there is some time; the State would like to do the construction in the spring.

Ms. Becker called for a vote on the motion to send the issue to the PRAC.

Motion passed with unanimous consent.

Ms. Becker called for a vote on the main motion.

Motion passed with unanimous consent.

B. Property Purchase Request from Thomas and Lisa Daugherty

Mr. Chaney began by pointing out that the Dougherty family was in the audience and able to answer any questions the Assembly might have. Mr. Chaney stated that the proposal is simple and straightforward, the Daugherty's would like the opportunity to subdivide their lot and need about 550 square feet more to do so legally. The City owns the land abutting their rear property line, and the request is for approximately five and a half feet from their current rear property line. Mr. Chaney noted that the City property was designated in the Land Management Plan as Retain/Dispose so there is the opportunity to sell it. He stated that since the area is so small and is adjacent to their property it seems reasonable to accommodate this request.

Mr. Chaney outlined the steps that would have to be taken to continue this request: the Assembly would have to propose working with the original proposer, reject the proposal, or ask for further proposals from the public. He stated that since this is a very limited request adjacent to the applicant's property staff believes that asking for other proposals is not a reasonable proposition and since the property is already designated Retain/Dispose that the application is reasonable. Mr. Chaney added that the numbers listed above are not exact; the applicant may need a few more feet than requested here, and however the big question is if the Committee would like to consider the request.

Ms. Hale noted that it's odd that this wasn't considered during the original sale of the land, and that being the case she asked if it would behoove the city to look at all of the other properties that might be similarly affected. Mr. Chaney pointed out the trend that most of the other lots in the area are a small amount larger than the applicant's lot and many of them are already subdivided. Mr. Chaney noted that zoning has changed since the subdivision was first created and it would have been difficult to foresee the change in zoning and thus the current issue at the time of subdivision. Mr. Bleidorn added as a point of fact that the City did not create this subdivision.

Mr. Voelckers stated that this request seems to make sense but wondered if staff were concerned at all on a broader policy level regarding any requirements for city benefit or precedents that may be set. Mr. Chaney answered that this process is on a case-by-case basis and the first step for the Assembly is whether they want to move forward with it at all, then the issue will go to the Planning Commission for their review and then back to the Assembly for their final approval and ordinance. He clarified that this is a fairly long and thorough process in which all of those questions will be addressed. He added that he doesn't believe that City lands should be disposed of frivolously or easily.

Mr. Mertl asked who is managing the land in this parcel. Mr. Chaney noted that it is under the Lands Division management and is not a park. Mr. Bleidorn clarified that the Land Management Plan states that the parcel is managed by Lands & Resources and Parks & Recreation because there are streamside setbacks and corridors that run through this property.

Ms. Gladziszewski stated that the issue seems to be appropriate that a small amount of land be disposed of to provide more land for housing.

Ms. Gladziszewski moved that the Lands & Resources Division work with the original applicant to dispose of roughly 500-600 square feet of CBJ property.

Mr. Mertl suggested that the Lands Division should also work with Parks & Recreation as is it jointly managed. Mr. Chaney noted that the parcel is nearly 1,000 acres and the portions that are within a few hundred feet of anadromous streams are managed by parks, but the areas that are outside of those corridors are managed by lands and the area in question is managed exclusively by the Lands Division. Mr. Chaney noted that he would be happy to bring the Parks Director up to speed on this issue.

The motion passed with unanimous consent.

C. Land Trade Proposal between CBJ and Allan and Ellen Rogers

Mr. Chaney noted that the applicants have arrived and are available to answer questions. Mr. Chaney noted that this is the third time this issue is being heard at the

Lands Committee, but as there are new members this is a quick overview before moving to the Assembly for approval by Ordinance.

Mr. Chaney pointed out the property in question noting that though it has a Fritz Cove Road address the property is not located on Fritz Cove Road. The property is on an access road easement provided by the city for access to the lots in this area. He outlined the need for this trade, the applicants wish to age in place and to do so need to build a home closer to the road. The only flat area near their lot is on both their property and CBJ lands. A land trade was requested for the City to receive a portion of the waterfront property and the applicants to receive enough of the desired area to build a house that would conform to code. An appraisal was made which determined that the waterfront property is worth about 2.5 times what upland property is worth in this area. Instead of a 2.5 to 1 ratio the applicants are suggesting a 2.3 to 1 trade which leaves the City with a bonus of over 1,000 square feet so it is in the City's interest in terms of value.

Mr. Chaney stated that the application was first brought to the Lands Committee, then to the PRAC where it was voted 5 to 2 that it was an acceptable proposition, noting that the two dissenting members felt that the land trade was not particularly beneficial to the public and the applicants adjusted the ratio to 2.3 to 1 at that time. The application was heard by the Assembly in June and the Assembly unanimously approved working with the original applicant. The application was heard by the Planning Commission in November and the Planning Commission unanimously approved the proposal. Staff are hoping the Lands Committee will send the application to the Assembly for final approval and ordinance.

Ms. Gladziszewski asked about the Assembly's June approval. Mr. Chaney replied that it was heard at a regular Assembly Meeting; Mr. Bleidorn stated that he believed the issue was brought up as new business and it was only the motion to work with the original applicant. Ms. Gladziszewski asked how wide the strip of land is and what the City could do with it. Mr. Chaney noted that the strip is 20 feet wide and that the additional land is just an extension of the existing park.

Ms. Becker asked where the public enter to walk in this park. Mr. Chaney noted that one might walk along the beach. Ms. Gladziszewski noted that it's difficult to know that that is parkland and asked if there was any proposal to add signage noting that the area is a park. Mr. Chaney replied that that hasn't been proposed; he added that everything below the mean high tide mark is owned by the State.

Mr. Mertl noted that he supports the land trade and he asked how far back from the shoreline is considered "waterfront" property. Mr. Chaney answered that that is something that the appraiser determines.

Ms. Gladziszewski moved that the Lands Committee send this to the Assembly to be approved by Ordinance.

Motion passed with unanimous consent.

VI. STAFF REPORTS

VII. COMMITTEE MEMBER / LIASION COMMENTS AND QUESTIONS

Mr. Mertl thanked the Lands Committee for representing PRAC in regards to the Deckhand Dave transfer of Gunakadiet Park. He asked Mr. Chaney if there is any movement on Indian Cove. Mr. Chaney noted that this is a question for the City Manager.

Mr. Voelckers noted that the Alternate Residential Subdivision was recommended to the Assembly and will be heard at the Committee of the Whole soon, but it has been a relatively quiet period otherwise.

VIII. ADJOURNMENT

There being no further business, the meeting was adjourned at 6:36 PM.

MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office
155 S. Seward St., Juneau, Alaska 99801
Dan.Bleidorn@juneau.org (907) 586-0224

TO: Assembly Lands Committee

FROM: Dan Bleidorn, Deputy Lands Manager
Daniel Bleidorn

SUBJECT: Vertical Bridge Request to Amend the 2012 Communications Tower Site Lease

DATE: January 8, 2019

The Lands office has received a request from Vertical Bridge Holdings LLC to amend the existing ACS Wireless, Inc. communications site lease signed August 22, 2012 by the City and Borough of Juneau Manager. This tower is located on Douglas Island at the end of Jackson Road within the fenced area of the West Juneau municipal water reservoir.

Vertical Bridge purchased the tower from ACS in 2017 and is working to add an additional sub-lease onto the tower. In order to accommodate the new sublessee's ground equipment, Vertical Bridge is requesting the additional square footage of 144 square feet. An additional sublease will be mutually beneficial because the City receives a percentage of the sublease rent.

Vertical Bridge has also requested that an additional five year renewal term be added to Section 4 of the lease, bringing the total lease term to twenty five years. An extra term is being requested to allow for amortizing costs of the new equipment and sublease infrastructure.

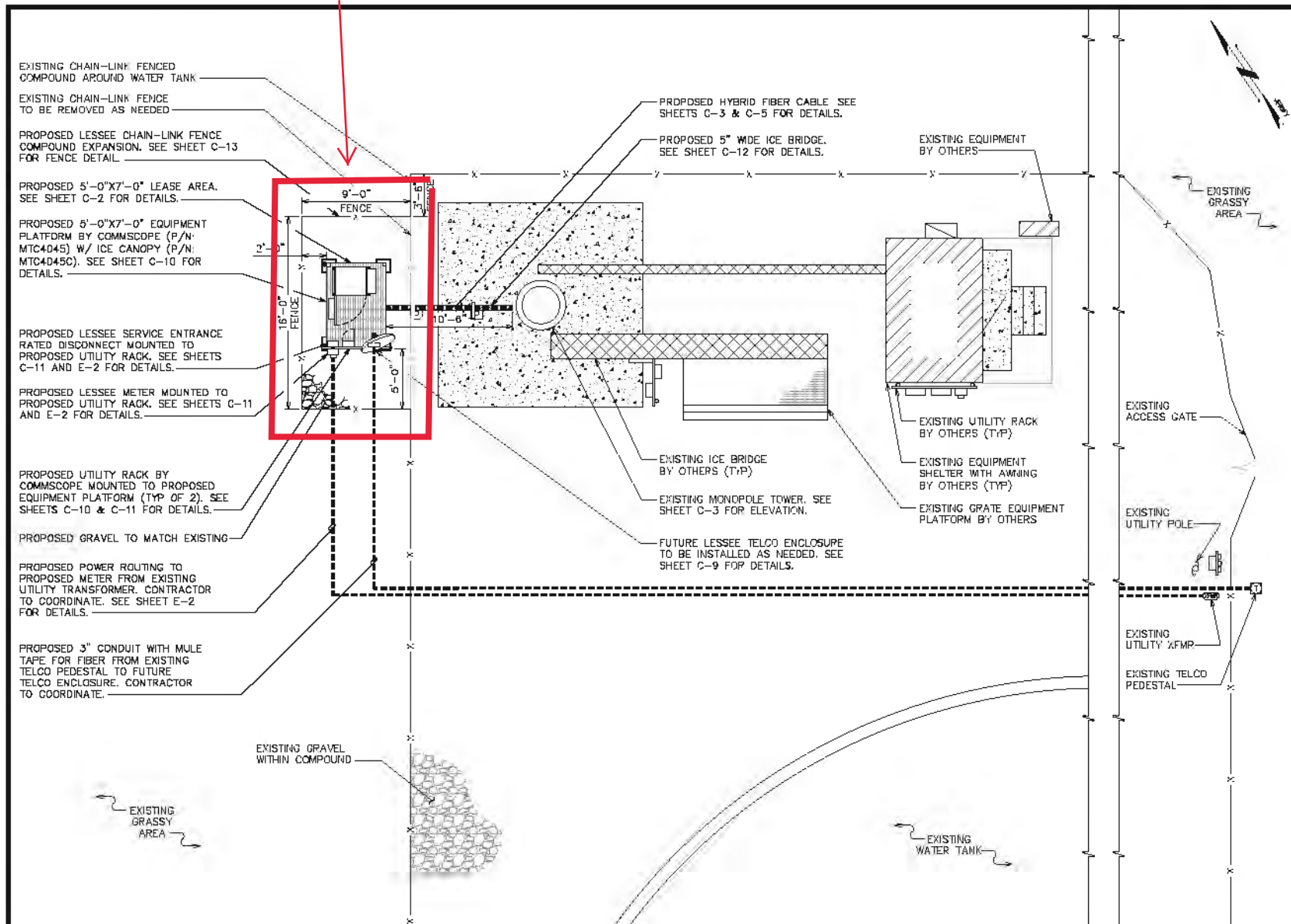
Market rent will also be updated with this proposed amendment. The Lessee commissioned an appraisal to determine the market rent for the first renewal term, at Lessee's sole cost and expense. Pursuant to the Appraisal, the Parties have agreed the rent for each month of the first renewal term shall be eight hundred dollars (\$800.00). The Base Rent shall increase by three percent (3%) per year, as set forth in Section 14 of the Lease.

Exhibit A.3 Rent Schedule will be revised as part of this proposed amendment. The new rent schedule will include the updated base rent and include the revenue sharing associated with the new sublease which will be an outcome of the increased square footage. The CBJ receives 30% of the revenue for this additional sublease. This proposed amendment will also clarify the contact information for the lease. Updated contact information will allow for more efficient communication between the City and Vertical Bridge.

Staff requests that the Lands Committee pass a motion of support to the Assembly to amend the revenue lease to ACS wireless/Vertical Bridge to accommodate and additional sublessee.



Additional area requested



COMPOUND LAYOUT

SCALE: 1/8" = 1'-0"

0 8 16
SCALE IN FEET

PLANS PREPARED FOR:

dish

9601 SOUTH MERIDIAN BOULEVARD
ENGLEWOOD, CO 80112

PROJECT INFORMATION:

DISH ID: AK1710007A
DISH SITE NAME:
JUNEAU

2800 JACKSON ROAD
JUNEAU, AK 99801
(JUNEAU COUNTY)

PLANS PREPARED BY:



TOWER ENGINEERING PROFESSIONALS
326 TRYON ROAD
RALEIGH, NC 27603-5263
OFFICE: (919) 661-6351
www.tepgroup.net

SEAL:



REV	DATE	ISSUED FOR:
1	11-01-18	CONSTRUCTION
0	10-15-18	PRELIMINARY

DRAWN BY: MJC CHECKED BY: CP

SHEET TITLE:

COMPOUND LAYOUT

SHEET NUMBER: **C-1** REVISION: **1**
TEP# 141849

AMENDMENT #1 TO ACS WIRELESS COMMUNICATIONS SITE LEASE

This AMENDMENT # 1 TO ACS Wireless Communications Site Lease (this “2019 *Amendment*”) is entered into as of _____, 2019, by and between the **City and Borough of Juneau, Alaska**, an Alaska municipal corporation, (“**CBJ**” or “**Lessor**”) and **Vertical Bridge S3 Assets, LLC**, a Delaware limited liability company (successor-in-interest to ACS Wireless, Inc.) (“**Lessee**”, collectively with CBJ, the “**Parties**”, or each individually, a “**Party**”).

RECITALS

WHEREAS, Lessor owns certain real property located in Juneau City and Borough, Alaska, as more particularly described on **Exhibit A** (the “**Parent Parcel**”).

WHEREAS, this **2019 Amendment** is an amendment to the **ACS Wireless, Inc. communications site lease** signed August 22, 2012 by the City and Borough of Juneau Manager (as further amended and assigned, the “**Lease**”).

WHEREAS, the sole purpose of this 2019 Amendment is to memorialize the “market rent” as required pursuant to Section 15 of the Lease for each renewal option provided for in Section 4 of the Lease. The “market rent” was determined by that certain Market Rental Appraisal of the ACS Wireless Cell Tower Lease Tract within Lot 1, USS 3853, At the West Juneau Reservoir Site Located at 3000 Jackson Road, Juneau, Alaska prepared by Charles Horan, MAI of Horan & Company, dated February 6, 2018 (the “**Appraisal**”).

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows.

1. Defined Terms; Recitals. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Lease. The recitals set forth here and above are true and correct in all respects and are incorporated herein by reference.

2. Renewal Term. Pursuant to Section 4 of the Lease, Lessee is renewing the Lease for the first of three (3) five (5) year renewal options (each a “**Renewal Term**”). The first Renewal Term shall commence on August 23, 2017 and expires on August 22, 2022, unless renewed further, pursuant to the terms of the Lease. Additionally, Section 4 of the Lease is hereby amended to add one (1) additional Renewal Term.

3. Market Rent. Pursuant to Section 15 of the Lease, Lessee commissioned the Appraisal to determine the market rent for the first Renewal Term, at Lessee’s sole cost and

expense. Pursuant to the Appraisal, the Parties have agreed the rent for each month of the first Renewal Term shall be Eight Hundred and 00/100 Dollars (\$800.00) (the “**Base Rent**”), paid in advance, to the address set forth below. The Base Rent shall increase by three percent (3%) per year, as set forth in Section 14 of the Lease.

4. Leased Premises. “Exhibit A.1” of the Lease is deleted in its entirety and replaced with **Exhibit B** of this 2019 Amendment. Lessor leases Lessee the portion of the Parent Parcel more particularly described and depicted on **Exhibit B** (the “**Leased Premises**” or “**Property**”). All prior references to the Leased Premises in the Lease are hereby replaced with **Exhibit B** of this 2018 Amendment.

5. The Parties agree that **Exhibit A.3: Rent Schedule** is hereby deleted in its entirety and is replaced with the Exhibit B.3 of this 2019 Amendment:

6. Notices. All notices under the Lease shall be delivered by Federal Express, or US certified mail return receipt requested, and addressed to:

If to Lessee: Vertical Bridge S3 Assets, LLC 750 Park of Commerce Drive, Suite 200 Boca Raton, FL 33487 Attention: General Counsel Ref: US-AK-5149	If to Lessor: Division of Lands and Resources City and Borough of Juneau 155 S. Seward Juneau, AK 99801 Phone: (907) 586-5282; Fax: (907) 586-5385
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7. Counterparts/Facsimile Signatures. This 2019 Amendment may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single document.

8. Ratification. Except as amended and modified herein, the Lease is ratified and confirmed in all respects and shall continue in full force and effect. In the event of any dispute between the terms of the Lease and this 2019 Amendment, the terms of this 2019 Amendment shall govern and supersede those set forth in the Lease.

[The remainder of this page is intentionally blank; signature page follows.]

IN WITNESS WHEREOF, the Parties agree and sign below. This 2019 Amendment is not effective until signed by CBJ. Each Party represents that the person signing below on its behalf has the authority to do so and that it is a valid and binding contract enforceable in accordance with its terms.

LESSEE:

VERTICAL BRIDGE S3 ASSETS, LLC
a Delaware limited liability company

By: _____
Name: Alex Gellman
Title: Chief Executive Officer

LESSOR:

**CITY AND BOROUGH OF JUNEAU,
ALASKA, LLC**
a Alaska municipal corporation

By: _____
Name: Duncan Rorie Watt
Title: CBJ Manager

Approved as to content: _____, CBJ Lands & Resources
Division

Approved as to form: _____, CBJ Law Department

Exhibit A
Legal Description of the Parent Parcel
(for reference)

That certain portion of Lot 1, U.S. SURVEY 3853, Records of the Juneau Recording District, First Judicial District, State of Alaska.

Exhibit B
Legal Description and/or Depiction of the Leased Premises

**[TO BE INSERTED BY MUTUAL AGREEMENT OF THE PARTIES, BASED ON A
SURVEY COMMISSIONED BY LESSEE, AT LESSEE'S SOLE COST AND EXPENSE]**

EXHIBIT B.3: RENT SCHEDULE

Vertical Bridge Wireless Communications Site Lease

Date: March
8, 2018

Year 1	
Rent period from August 24 th 2017 to August 23 rd 2018	
Base rent for Vertical Bridge including all of its operations,\$800.00	\$800.00 / month
Rent for first sublessee, <u> Dish Network </u> , is 30% of rent charged in the <u> </u> sublease, calculated as follows: \$ <u> </u> /month x .30 = \$ <u> </u> /month	\$ <u> </u> / month
Rent for second sublessee, <u> </u> , is 40% of rent charged in the <u> </u> sublease, calculated as follows: \$ <u> </u> /month x .40 = \$ <u> </u> /month	\$ <u> </u> / month
Rent for third sublessee, <u> </u> , is 50% of rent charged in the <u> </u> sublease, calculated as follows: \$ <u> </u> /month x .50 = \$ <u> </u> /month	\$ <u> </u> / month
MONTHLY RENT CHARGED DURING YEAR 1 =	\$800.00 + sublease / month
Year 2	
Rent period from August 24 th 2018 to August 23 rd 2019	
Base rent for Vertical Bridge, including all of its operations, is calculated as follows: \$800.00/month x 1.03 (3% annual escalation) = \$824.00/month	\$824.00 / month
Rent for first sublessee, <u> </u> , is 30% of rent charged in the <u> </u> sublease, calculated as follows: \$ <u> </u> /month x .30 = \$ <u> </u> /month	\$ <u> </u> / month
Rent for second sublessee, <u> </u> , is 40% of rent charged in the <u> </u> sublease, calculated as follows: \$ <u> </u> /month x .40 = \$ <u> </u> /month	\$ <u> </u> / month
Rent for third sublessee, <u> </u> , is 50% of rent charged in the <u> </u> sublease, calculated as follows: \$ <u> </u> /month x .50 = \$ <u> </u> /month	\$ <u> </u> / month
MONTHLY RENT CHARGED DURING YEAR 2 =	\$824.00 + sublease / month

Year 3 Rent period from August 24th 2019 to August 23rd 2020	
Base rent for Vertical Bridge including all of its operations, is calculated as follows: \$824.00/month x 1.03 (3% annual escalation) = \$848.72/month	\$848.72 / month
Rent for first sublessee, _____, is 30% of rent charged in the _____ sublease, calculated as follows: \$ _____/month x .30 = \$ _____/month	\$ _____ / month
Rent for second sublessee, _____, is 40% of rent charged in the _____ sublease, calculated as follows: \$ _____/month x .40 = \$ _____/month	\$ _____ / month
Rent for third sublessee, _____, is 50% of rent charged in the _____ sublease, calculated as follows: \$ _____/month x .50 = \$ _____/month	\$ _____ / month
MONTHLY RENT CHARGED DURING YEAR 3 =	\$848.72 + sublease / month
Year 4 Rent period from August 24th 2020 to August 23rd 2021	
Base rent for Vertical Bridge including all of its operations, is calculated as follows: \$848.72/month x 1.03 (3% annual escalation) = \$874.19/month	\$874.19 / month
Rent for first sublessee, _____, is 30% of rent charged in the _____ sublease, calculated as follows: \$ _____/month x .30 = \$ _____/month	\$ _____ / month
Rent for second sublessee, Verizon, is 40% of rent charged in the Verizon sublease, calculated as follows: \$ _____/month x .40 = \$ _____/month	\$ _____ / month
Rent for third sublessee, _____, is 50% of rent charged in the _____ sublease, calculated as follows: \$ _____/month x .50 = \$ _____/month	\$ _____ / month
MONTHLY RENT CHARGED DURING YEAR 4 =	\$874.19 + sublease / month
Year 5 Rent period from August 24th 2021 to August 23rd 2022	
Base rent for Vertical Bridge including all of its operations, is calculated as follows: \$874.19/month x 1.03 (3% annual escalation) = \$900.41/month	\$900.40 / month
Rent for first sublessee, _____, is 30% of rent charged in the _____ sublease, calculated as follows: \$ _____/month x .30 = \$ _____/month	\$ _____ / month
Rent for second sublessee, _____, is 40% of rent charged in the _____ sublease, calculated as follows: \$ _____/month x .40 = \$ _____/month	\$ _____ / month
Rent for third sublessee, _____, is 50% of rent charged in the _____ sublease, calculated as follows: \$ _____/month x .50 = \$ _____/month	\$ _____ / month
MONTHLY RENT CHARGED DURING YEAR 5 =	\$900.40 + sublease / month

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: Lena Lot Subdivision and 2019 Lena Land Sale

DATE: January 10, 2019

In December of 2018 the Lands Division and Community Development Staff completed the minor subdivision of Lot 1, Block B of the South Lena. It was determined that this lot would be subdivided with up to four lots, during the original subdivision of the South Lena. The General Notes section in the amended plat of the South Lena Subdivision from 2014 states that “upon the existing eagle nest within Lot 1, Block B being abandoned, the lot may be subdivided and developed with up to four (4) lots.” This four lot subdivision has been completed and the recorded plat is attached.

Lots 1A, B, C and D, Block B, South Lena Subdivision were created as a result of this subdivision. Now that the subdivision is completed, Lands Staff is working on a land sale in order to dispose of these lots in accordance with the Assembly adopted 2016 Land Management Plan. Previous sales of land within the South Lena Subdivision have all been completed as sealed competitive bid land sales Section (53.09.250 of the attached code).

Sealed bid land sales have worked well to dispose of high valued lots that are not used for a public purpose or to create affordable housing. In a sealed competitive bid land sale the highest bidder has the option to buy the property. The four lots in this land sale are all large, single family, south facing lots in a very desirable area. In accordance with CBJ§53.09.200(i) of the attached code, successful bidders will have the option of financing lot purchases. Terms and conditions of CBJ financing will include a maximum term of ten years, 10% due at closing and a 10% interest rate.

Staff request that the Lands Committee pass a motion of support to the Assembly for the disposal of Lot 1A, Lot 1B, Lot 1C and Lot 1D, Block B, South Lena Subdivision by Sealed Competitive Bid with the option for CBJ financing as described herein.



ARTICLE IV. - DISPOSAL

53.09.200 - General.

(a) *Methods of disposal.* City and Borough land may be conveyed by lottery, auction, over-the-counter sale, negotiated sale, sealed bid, land exchange, or other methods as the assembly may approve by ordinance.

(b) *Inclusion in Land Management Plan.* Except for property acquired by tax foreclosure or reconveyance agreement, real property should not be conveyed prior to inclusion in a land management plan.

(c) *Satisfaction of CBJ [53.09.260\(a\)](#).* Real property recommended for negotiated sale in management plan adopted by the Assembly not more than two years prior to commencement of negotiations for a negotiated sale shall be deemed to have satisfied CBJ [53.09.260\(a\)](#) Sales, leases, and exchanges by negotiation or competitive proposal.

(d) *Ordinance.* Terms and conditions for each land sale shall be approved by the assembly by ordinance.

(e) *Sale price.* Except as provided in CBJ [53.09.270](#), Disposals for public use, the sale price for City and Borough land shall not be less than market value as determined by the manager.

(f) *Sales brochure.* The manager shall prepare, and make available to the public, a sales brochure detailing the terms and conditions of sale for competitive land sales.

(g) *Qualification.* To qualify for a land sale, the applicant must be an individual 18 years of age or older at the time of registering for the sale or a business, licensed to conduct business in the State of Alaska. No person or business entity may apply for, or purchase, a parcel offered for sale if he or she has defaulted on a prior purchase of City and Borough property within the five years preceding the proposed sale. To qualify for a parcel, the registrant or authorized agent must be present at the lottery, auction, bid opening, or over-the-counter sale.

(h) *Agent.* An agent participating for another person or entity shall identify himself or herself as an agent, submit a written agency agreement, power of attorney, or other document showing the agent's authority, and shall identify the agent's principal. This information shall be available to the other participants.

(i) *Disqualification.* The manager may disqualify from participating in a land sale conducted under CBJ [53.09.210](#)—53.09.250 lottery, auction, over-the-counter and sealed bid sales, any person who willfully violates the provisions governing bidder, applicant, or purchaser qualifications.

(j) *Public notice and marketing.* Not less than 45 days before the date of a land lottery, auction, sealed bid opening, or the commencement date of an over-the-counter sale, the manager shall place an advertisement providing notice and a description of the sale in a newspaper of general circulation in the municipality, which shall run one day per week for at least four consecutive weeks. The manager may use whatever additional advertising media, format, or frequency he or she determines will best inform the public of the sale and most advantageously market the property.

(k) *Deposit.* Prior to the close of business on the day of the lottery, auction, or bid opening, the buyer or the buyer's agent shall provide the City and Borough a non-refundable down payment equal to five percent of the purchase price, submit any proof of buyer's qualification, and execute the purchase agreement and other required documentation as stated in the sales brochure. The deposit shall be in cash or by check or similar instrument. If the buyer fails to prove the buyer's qualifications or to tender the required down payment or to execute the necessary purchase agreement or other instruments to close the sale, or if the check does not clear, the sale is void, and all rights of the buyer in the property arising out of the sale are terminated. Unless specifically provided otherwise by the manager in writing, the buyer shall have no right of possession to the property until all necessary notes, security and other instruments necessary to close the sale have been executed and the sale closed.

(l) *Payment of balance.* The balance shall be paid over a period not to exceed ten years in equal annual, quarterly, or monthly payments of principal and interest with interest on the unpaid balance at a rate established by the assembly by ordinance. The manager may direct loan payments to a bank of his or her choice and establish service fees, the payment of which shall be the purchaser's responsibility. There shall be no prepayment penalty.

(m) *Subordination.* The manager shall not subordinate the security interest of the City and Borough to that of another lender.

- (n) *Application form and registration fee.* The application shall be on a form provided by the City and Borough. A nonrefundable registration fee must accompany the application.
- (o) *Tax foreclosed land.* Applicable provisions of state law shall govern the disposal of land acquired by tax foreclosure to the extent state law and this chapter are in conflict on such disposals.

53.09.250 - Sealed competitive bids.

- (a) *Registration.* The registration fee for participating in a sealed bid sale shall be \$500.00 per application. The registration fee shall be returned to unsuccessful bidders. For a successful bidder, the registration fee shall be applied toward the down payment of the lot for which the fee was paid.
- (b) *Post bid negotiations.* If a significant factor in the award of the bid is to be the development proposal made by the bidder and if the bidders have been so informed either in the advertisement or on the bid form, the manager may negotiate with the best bidder or, in the manager's sole discretion, with the two best bidders.
- (c) *Assembly approval.* The award of a bid in which the development proposal is a significant factor in the award is subject to approval by the assembly.

SURVEYOR'S CERTIFICATE

I, Scott A. Menzies, in my capacity as a professional land surveyor in the State of Alaska, certify that this plat represents the survey made by me or under my direct supervision, that the accuracy of the survey is within the limits required by Title 49 of the code of the City and Borough of Juneau, that all dimensions and relative bearings are correct and that monuments are set in place and relied upon this plat as presented.

Date 12/5/18 Registration Number LS-10358

Scott A. Menzies
Registered Land Surveyor

LEGEND

Original G.L.O.B.L.M. monument recovered	⊙
Primary monument recovered	⊙
Secondary monument recovered	⊙
Monument set this survey	⊙
Easement boundary created this survey	---
Easement boundary N.A.P. this survey	---
Existing property line N.A.P. this survey	---
Existing property line this survey	---
New property line this survey	---
Right-of-Way Centerline	---
Boundary dimension-Record	(307.80')
Boundary dimension-Found	307.80'
Juneau Recording District	J.R.D.
Not A Part	N.A.P.

COMMUNITY DEVELOPMENT DEPARTMENT PLAT APPROVAL

I hereby certify that the plat hereon has been found to comply with Title 49 of the Code of the City and Borough of Juneau, and is approved by the City and Borough of Juneau, Department of Community Development, for recording in the office of the Juneau Recording District, Juneau, Alaska.

Jim Macdonald Date 12/14 2018
City and Borough of Juneau
Community Development Department

Attest:
Christina Wilson 12/14/2018
Municipal Clerk
City and Borough of Juneau



OWNERSHIP CERTIFICATE

The City and Borough of Juneau hereby certifies that the City and Borough of Juneau is the owner of the property shown and described hereon and that it hereby adopts this plat of subdivision with its free consent, and dedicates all streets, alleys, walks, paths and other open spaces to public or private use as noted on this plat.

Date December 13, 2018
Greg Chaney, Manager
City and Borough of Juneau
Lands and Resources Department

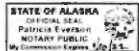
NOTARY ACKNOWLEDGEMENT

United States of America)
State of Alaska)

This is to certify that on the 13 day of December 2018, before me, the undersigned, a notary public in and for the State of Alaska, duly commissioned and sworn, personally appeared to me Greg Chaney, known to be the person described in and who executed the above and foregoing instrument, and acknowledged to me that he signed and sealed the same freely and voluntarily for the uses and purposes therein mentioned.

Witness my hand and official seal the day and year in this certificate first above written.

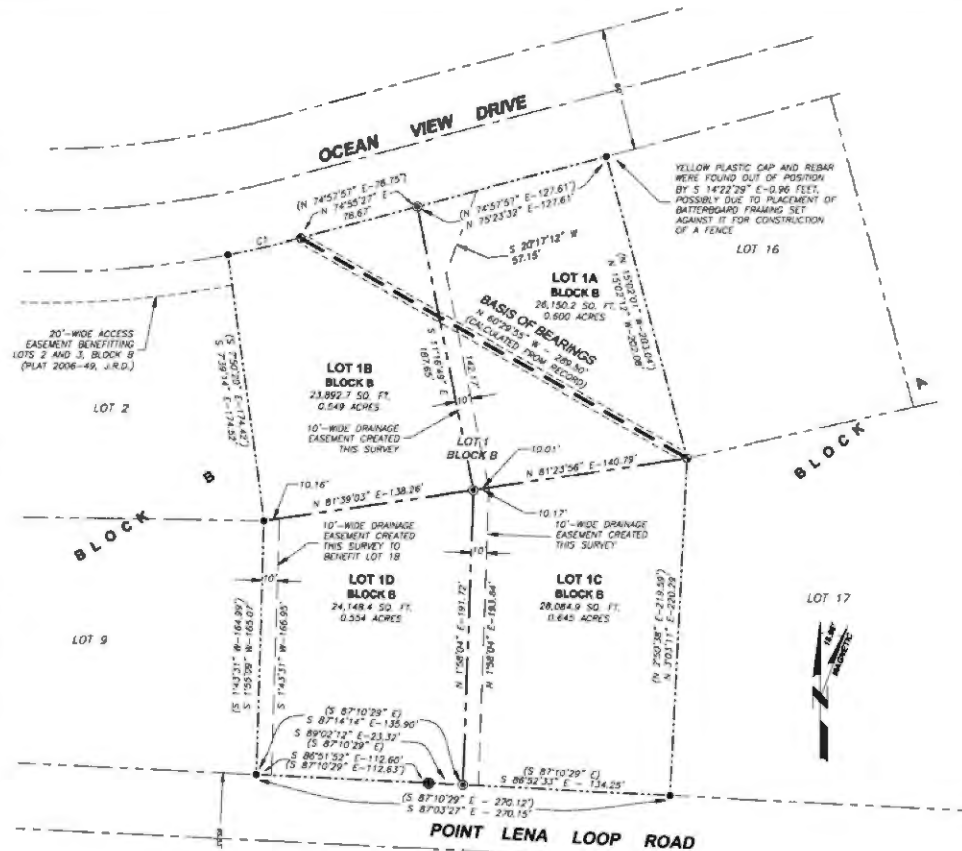
Notary Public for Alaska *Patricia Overman*
My Commission Expires 11/01/22



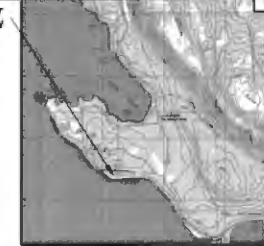
GENERAL NOTES

- The basis of bearings for this plat is a bearing calculated from the official Amended Plat of the South Lens Subdivision, dated June 9, 2006, between found primary monuments which mark the southeast corner of Lot 1A and the Point of Curvature on the Ocean View Drive right-of-way boundary, also the north boundary of Lot 1, Block B, of the Amended Plat of the South Lens Subdivision as shown on this plat, having a calculated record bearing of North 80°29'55" West and a calculated distance of 288.50 feet.
- Where record survey courses (bearings and/or distances) differ from measured and/or computed courses by this survey, the record survey course is shown in parentheses and the field measured and/or computed course is shown without parenthesis. All distances and dimensions are in U.S. Survey Feet and reduced to their horizontal values.
- Field closure for conventional horizontal traverse does not exceed 1:10,000.
- The field survey was conducted using conventional on-the-ground surveying methods utilizing a Topcon fully robotic IS total station and ranging prism.
- This plat subdivides Lot 1, Block B, of the Amended Plat of the South Lens Subdivision into four lots.
- The Alaska Dept. of Environmental Conservation has suspended their program of subdivision review. Owners of lots shown on this plat should contact that department to ensure compliance with regulations before development.
- Domestic water provided by the City and Borough of Juneau. On-site wastewater disposal per approval of the Alaska Department of Environmental Conservation.
- Ground cover shall be retained for 25 feet bordering Lena Loop Road unless it is demonstrated to the Community Development Department staff that wetlands can be preserved through other means.
- Maximum fill in areas of mapped wetlands shall not exceed 12,000 square feet for combined house and drainfield fill pads (exclusive of driveways). Additional fill may be permitted on individual lots if approved by the Planning Commission. Any fill on any lot in excess of that allowed by the U.S. Army Corps of Engineers permit PCA-1996-19-M must be approved in advance by the U.S. Army Corps of Engineers.
- The top of on-site septic system drainfields built on these lots shall be set back from the nearest down-slope property line using the following formula:
Percent of ground slope = Setback in feet
Examples: 15% ground slope = 15 foot setback
20% ground slope = 25 foot setback
50% ground slope = 50 foot setback.
- Monuments set this survey are 2-inch diameter aluminum monuments set on 5/8-inch diameter rebar driven 36 inches or to refusal.

Typical monument set this survey



PROJECT LOCATION



VICINITY MAP
SCALE 1"=1 MILE
GRAPHIC SCALE
0 1 2 3 4 5 6 7 8 9 10

CURVE DATA

NO.	RADIUS	ARC	DELTA	BEARING	CHORD	DISTANCE
1	640.00'	48.78'	4°22'02"	S 77°08'51" W	48.77'	
				S 77°18'04" W	48.56'	

RECORD INFORMATION

Record information for this subdivision is derived from official plats:
South Lens Subdivision, Juneau Recording District dated October 11, 2006 (Plat 2006-49) (R1); Amended Plat of South Lens Subdivision, Juneau Recording District dated December 15, 2006 (R2); U.S. Survey 3800, Juneau Recording District dated March 3, 1980 (R3).

PLAT NOTES

No. of Lots before this plat: 1
No. of Lots after this plat: 4
Zoning before this plat: D3 (Single Family) Duplex
Zoning after this plat: No change
Right-of-way dedicated: None
Total area of plat: 102,293 Square Feet
2.343 Acres

GRAPHIC SCALE
SCALE IN FEET
0 20 40 60 80



PLAT OF LOTS 1A, 1B, 1C & 1D

A SUBDIVISION OF LOT 1, BLOCK B, SOUTH LENA SUBDIVISION CITY & BOROUGH OF JUNEAU, ALASKA JUNEAN RECORDING DISTRICT

STATE RECORDERS OFFICE AT JUNEAN

DATE: 12-14-2018
SCALE: 1"=40'
DRAWN BY: S.A.M.
SHEET 1 OF 1

MEMORANDUM

CITY AND BOROUGH OF JUNEAU

Lands and Resources Division Office
155 S. Seward St., Juneau, Alaska 99801
Greg.Chaney@juneau.org
(907) 586-0205

TO: Lands Committee
FROM: Greg Chaney, CBJ Lands Manager
SUBJECT: General Overview of CBJ's Gravel Pits and Quarry Operations
DATE: January 9, 2019

The City and Borough of Juneau owns and manages several material sites which supply crushed rock and sand and gravel products for construction projects. The primary objective of these operations is to provide a stable, reliable, clean, durable and affordable source of material for City and State projects. If capacity is available, a secondary goal is to make hard rock products available to private sector projects at market rates. These sites are managed by the Lands Division through the Engineering Department employees; however all blasting, extraction and processing is done by private contractors.

One of the most expensive aspects of using sand, gravel and processed rock for construction is transportation costs. Trucking expenses can easily double the cost of this material for a project, meaning that the best source is usually the closest source. There are many locations spread around the borough where construction materials are extracted. Unfortunately there are several factors restricting potential locations for pits and quarries so the distribution of pits and quarries is uneven.

Hard rock quarries and gravel pits are the two basic types of material sources. Quarries involve drilling and blasting bedrock and processing the fragmented stone to a variety of products, ranging from large boulder sized shot rock used for rip-rap, down to fine material used for finish grading. Quarries require significant processing to obtain usable products; this is primarily done by crushing and sorting the blasted rock.

Sand and gravel deposits are obtained from ancient river beds and alluvial fans. High quality deposits are composed of well sorted rounded stones that are easy to scoop up with heavy equipment and may be used for construction with little or no additional processing. Compared to hard rock, accessible sand and gravel beds are a finite resource which should be used with caution because once they are depleted they cannot be replaced. Therefore, sand and gravel from City property is reserved for public projects.

An alternative to mining ancient gravel deposits is to extract gravel from active stream beds. This is more complex and involves significant permitting to protect fish, wildlife, surrounding property, and to ensure erosion and flood risks are minimized. The bed of Lemon Creek is privately owned and has been intermittently mined for gravel by private corporations in recent decades. Although the CBJ does own sand and gravel deposits under Lemon Creek, the CBJ has not engaged in river bed mining to date.

There are advantages and disadvantages to both pits and quarry operations. In Juneau, the quantity of hard rock is nearly unlimited, however not all bedrock is created equally. Some beds are very hard and

durable while others are comparatively soft and brittle. Soft rock can be used for bulk fill but hard rock is much more desirable for aggregate used in asphalt and concrete. Equipment used to process rock in quarries is noisy and usually, blasting is required. This makes hard rock quarries difficult to locate near neighborhoods and severely limits opportunities for developing extraction operations.

Stabler Quarry in Auke Bay is currently the primary source of high quality hard rock in the borough. Extraction from this site started in 1997. This site has several significant advantages. The bedrock in this location is relatively hard, durable and abrasive. It meets specifications for several applications requiring durability. Stabler Quarry also has close and direct access to Veteran's Memorial Highway, meaning that heavy truck traffic is not routed through a neighborhood. A significant factor in the success of this quarry is that it has been developed in a bowl shape. Most of the noise generated from extraction activities is largely blocked by a natural rock rim. This buffer is also forested which moderates the visual impact of this operation. Finally the quarry is located relatively close to Statter Harbor, the Juneau International Airport, and the Mendenhall Valley which generate significant demand for construction materials. Due to the City's extensive land holdings and depth of the deposit, this area will continue to supply high quality material to the community into the foreseeable future. Once this site is no longer being used for a quarry, the plan is to re-route Veteran's Memorial Highway to reduce the curve in the road. In addition the final contours of the quarry could be designed for development of a residential neighborhood. The area is south facing and would have world class views of Auke Bay.

The Lemon Creek region has supplied sand and gravel to the community for decades. A huge advantage of this region is that it is located in the center of the community so it is competitive for keeping transportation costs down. There are several operations in this area. Costco and Home Depot are located on the floor of an extensive sand and gravel deposit that the City has been mining for many years. Material is still being excavated from the area behind these businesses however as the floor of the deposit has been lowered, the amount of silt in the gravel has increased. Silt significantly reduces the suitability of the material for construction purposes. As material is mined from this site, the land will transition to industrial uses.

A new material source has been opened across the creek behind the Lemon Creek Correctional Center. This site also contains deep beds of well sorted sand and gravel which need little to no processing. There are also hard rock deposits on City property in the vicinity, but suitability tests have not been performed on the potential rock source.

The Lemon Creek area also hosts a large private hard rock quarry operation in Hidden Valley. This deposit generally contains softer rock that does not hold up well in demanding applications. Products from this quarry are commonly used for bulk fill. As mentioned above, private companies have extracted gravel from the bed of Lemon Creek in the past. It is anticipated that limited excavation from Lemon Creek will continue in the future.

The CBJ has also been operating a small quarry on Douglas Island near lower Fish Creek Road for decades. This quarry is close to the end of its useful life however, due to its location some additional

excavation will likely continue in the future. Another quarry is operated in the upper section of Fish Creek Road and it is primarily being used for improvements to Eaglecrest Ski Area.

Two small quarries were recently opened to support construction of the West Douglas Pioneer Road. These quarries are not permitted for off-site purposes but in the future, after proper permits are obtained, these could become important sources for West Douglas development projects.

The community of Juneau is fortunate to have so many high quality materials sources available locally. The CBJ's goal in operating pits and quarries is to provide a dependable source of material to help keep public construction projects reliable, competitive and affordable.

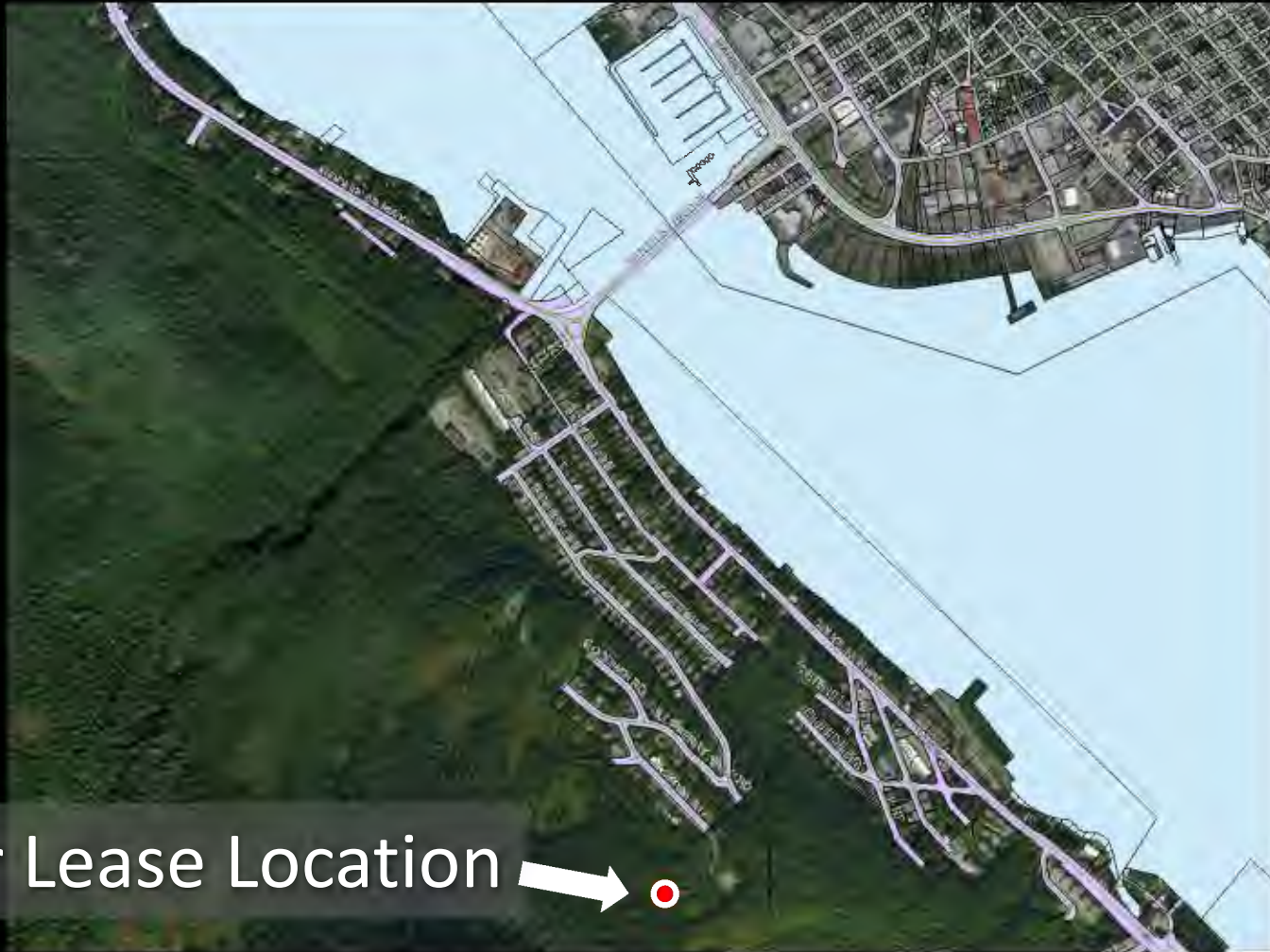


January 14 2019

CBJ Assembly Lands Committee



Vertical Bridge Lease Amendment

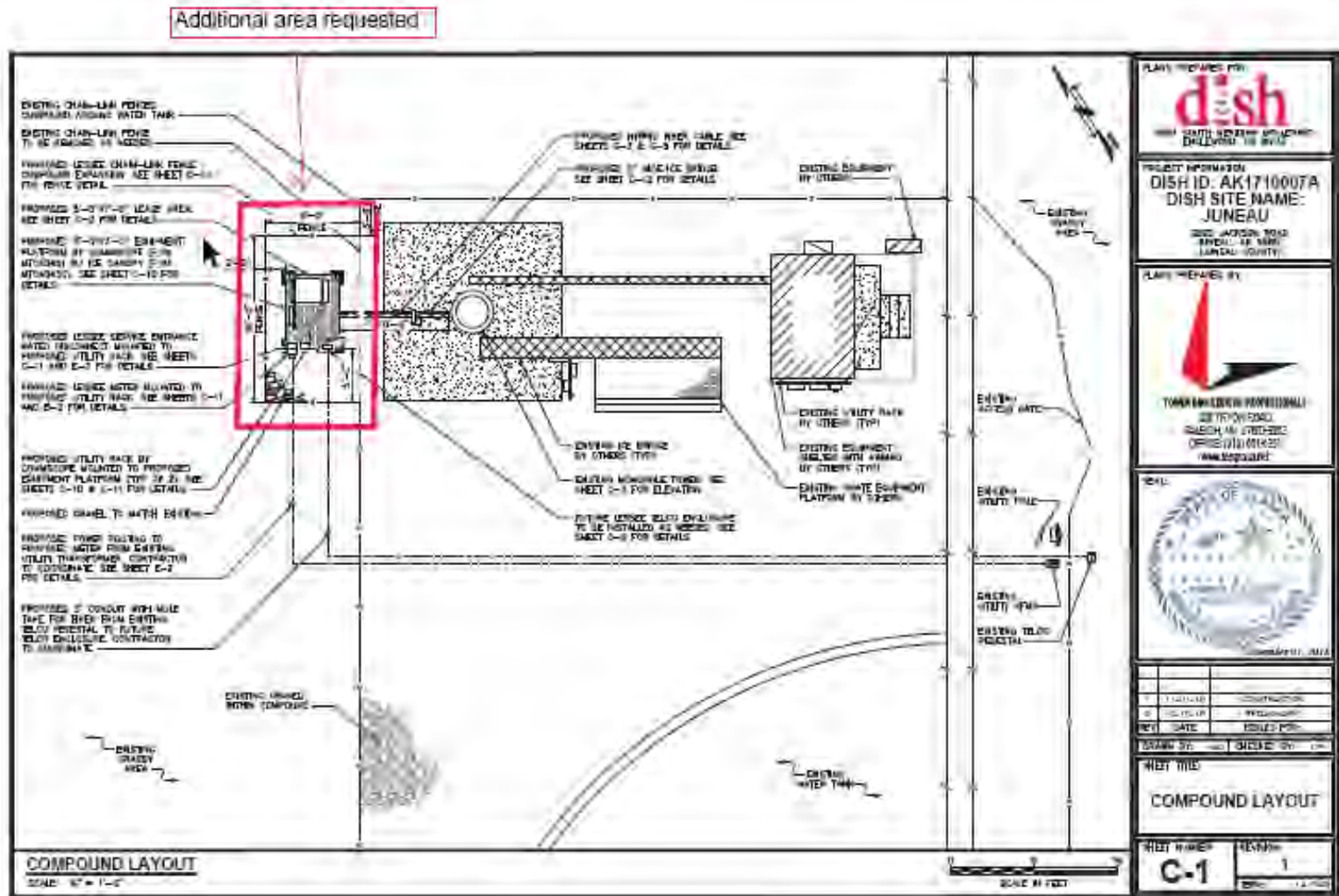


Tower Lease Location → ●

Vertical Bridge Lease Amendment



Vertical Bridge Lease Amendment



Vertical Bridge Lease Amendment



Vertical Bridge Lease Amendment



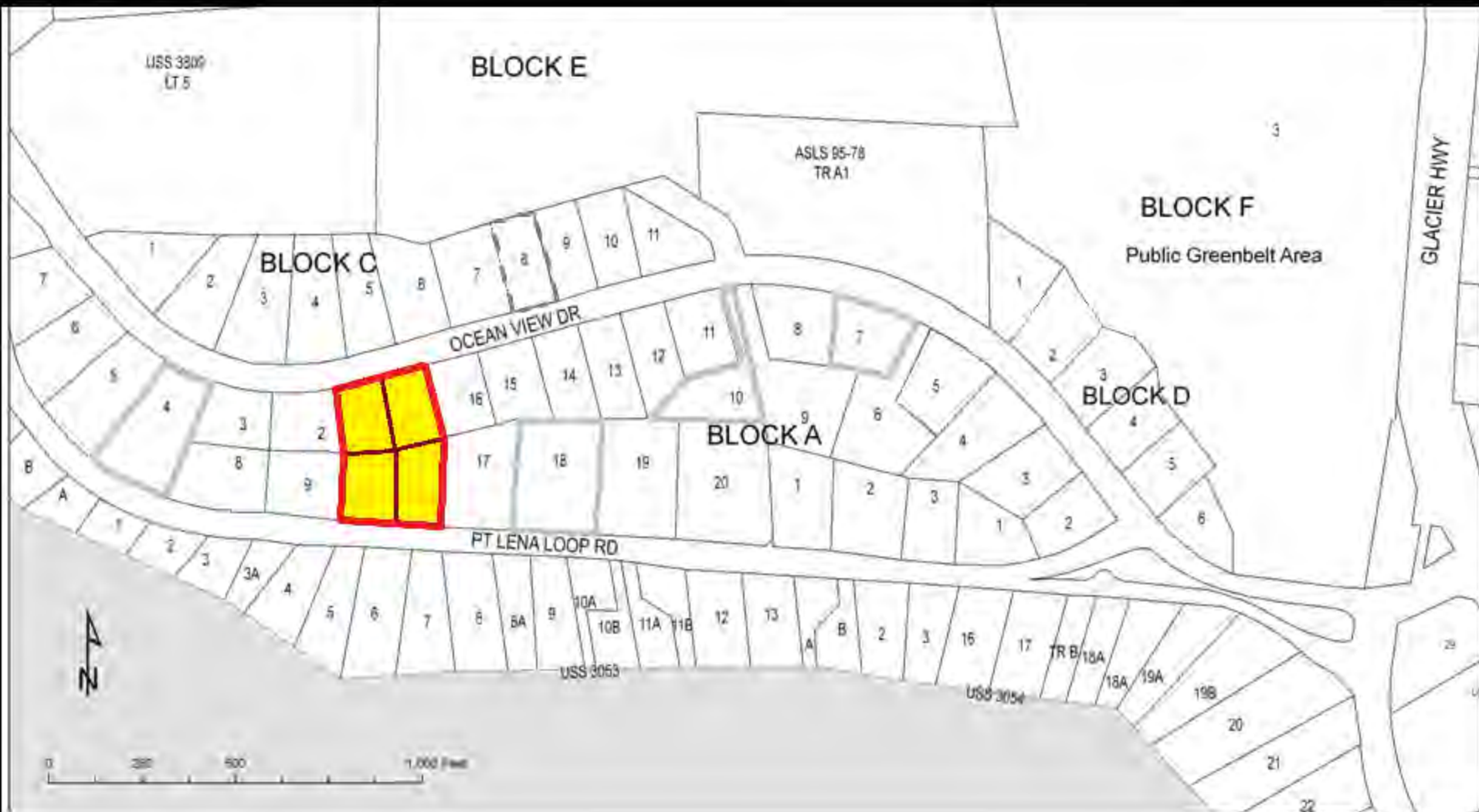
- Originally owned by ACS, sold to Vertical Bridge in 2017
- Vertical Bridge has requested an additional 144 ft² in order to accommodate a new sublease
- Amendment will correct the contact information and lease rate
- Amendment will add an additional 5 year term
- CBJ will receive 30% of tower sublease rate and receive FMV for the ground lease

Staff requests that the Lands Committee pass a motion of support to the Assembly to amend the revenue lease to ACS / Vertical Bridge in order to accommodate an additional sublease

South Lena
Four Lot
Subdivision
Land Sale



Eagle Nest Lot



OCEAN VIEW

YELLOW PLASTIC CAP AND REBAR WERE FOUND OUT OF POSITION BY S 14°22'29" E-0.96 FEET, POSSIBLY DUE TO PLACEMENT OF BATTERBOARD FRAMING SET AGAINST IT FOR CONSTRUCTION OF A FENCE

LOT 16

20'-WIDE ACCESS EASEMENT BENEFITING LOTS 2 AND 3, BLOCK B (PLAT 2006-49, J.R.D.)

LOT 2

(S 75°20' E-174.42')
(S 73°14' E-174.52')

LOT 1B
BLOCK B

23,892.7 SQ. FT.
0.549 ACRES

10'-WIDE DRAINAGE EASEMENT CREATED THIS SURVEY

LOT 1
BLOCK B

LOT 1A
BLOCK B

26,150.2 SQ. FT.
0.600 ACRES

BASIS OF BEARINGS
(CALCULATED FROM RECORD)
N 60°29'55" W - 289.50'
N 75°23'32" E-127.61'
S 20°17'12" W 57.15'

N 81°23'56" E-140.79'

BLOCK

BLOCK

LOT 9

(S 1°33'31" W-164.99')
(S 1°55'09" W-165.07')
(S 1°13'41.1 S

(S 1°43'31" W-166.95')

LOT 1D
BLOCK B

24,148.4 SQ. FT.
0.554 ACRES

10'-WIDE DRAINAGE EASEMENT CREATED THIS SURVEY TO BENEFIT LOT 1B

(S 87°10'29" E)
S 87°14'14" E-135.90'
S 89°02'12" E-23.32'
(S 87°10'29" E)
S 86°51'52" E-112.60'
(S 87°10'29" E-112.63')

(S 87°10'29" E - 270.12')
S 87°03'27" E - 270.15'

LOT 1C
BLOCK B

28,084.9 SQ. FT.
0.645 ACRES

10'-WIDE DRAINAGE EASEMENT CREATED THIS SURVEY

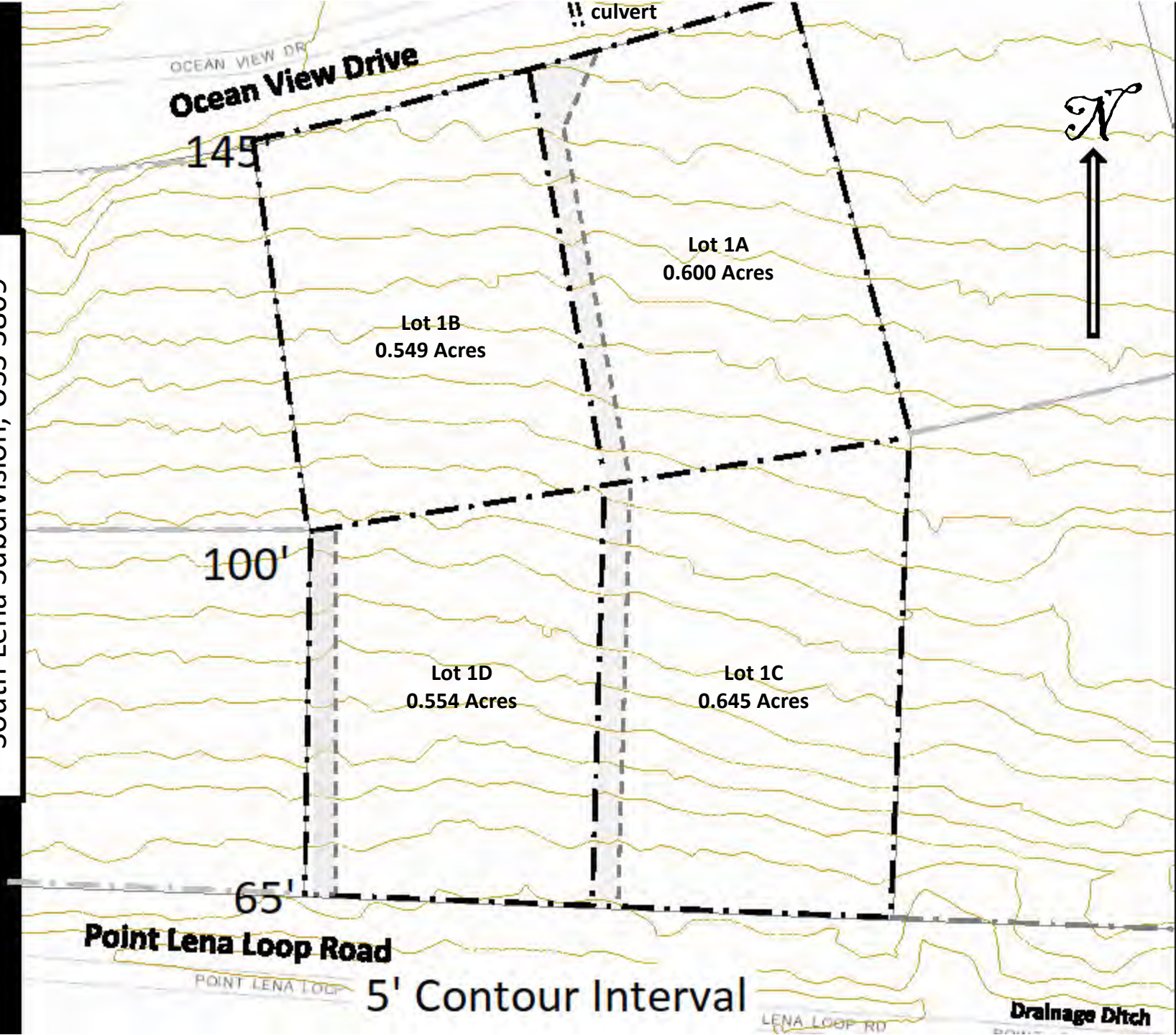
(N 2°50'38" E-219.59')
N 3°03'11" E-220.29'

LOT 17



POINT LENA LOOP ROAD

Re-Subdivision of Lot 1, Block B
South Lena Subdivision, USS 3809



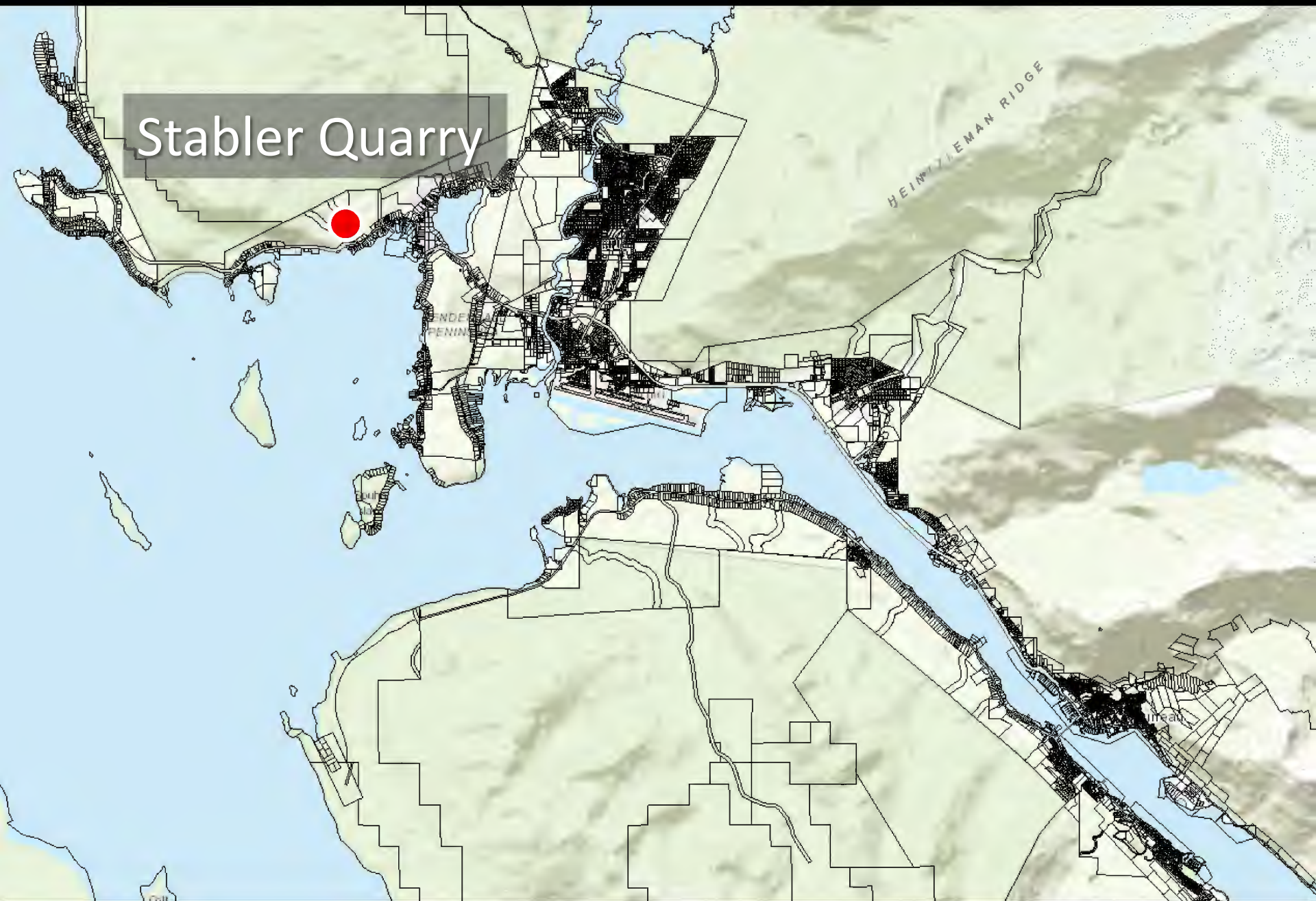
South Lena Four Lot Subdivision Land Sale



Staff requests that the Lands Committee pass a motion of support to the Assembly for the disposal of Lot 1A, Lot 1B, Lot 1C and Lot 1D, Block B, South Lena Subdivision by Sealed Competitive Bid with the option for CBJ financing.

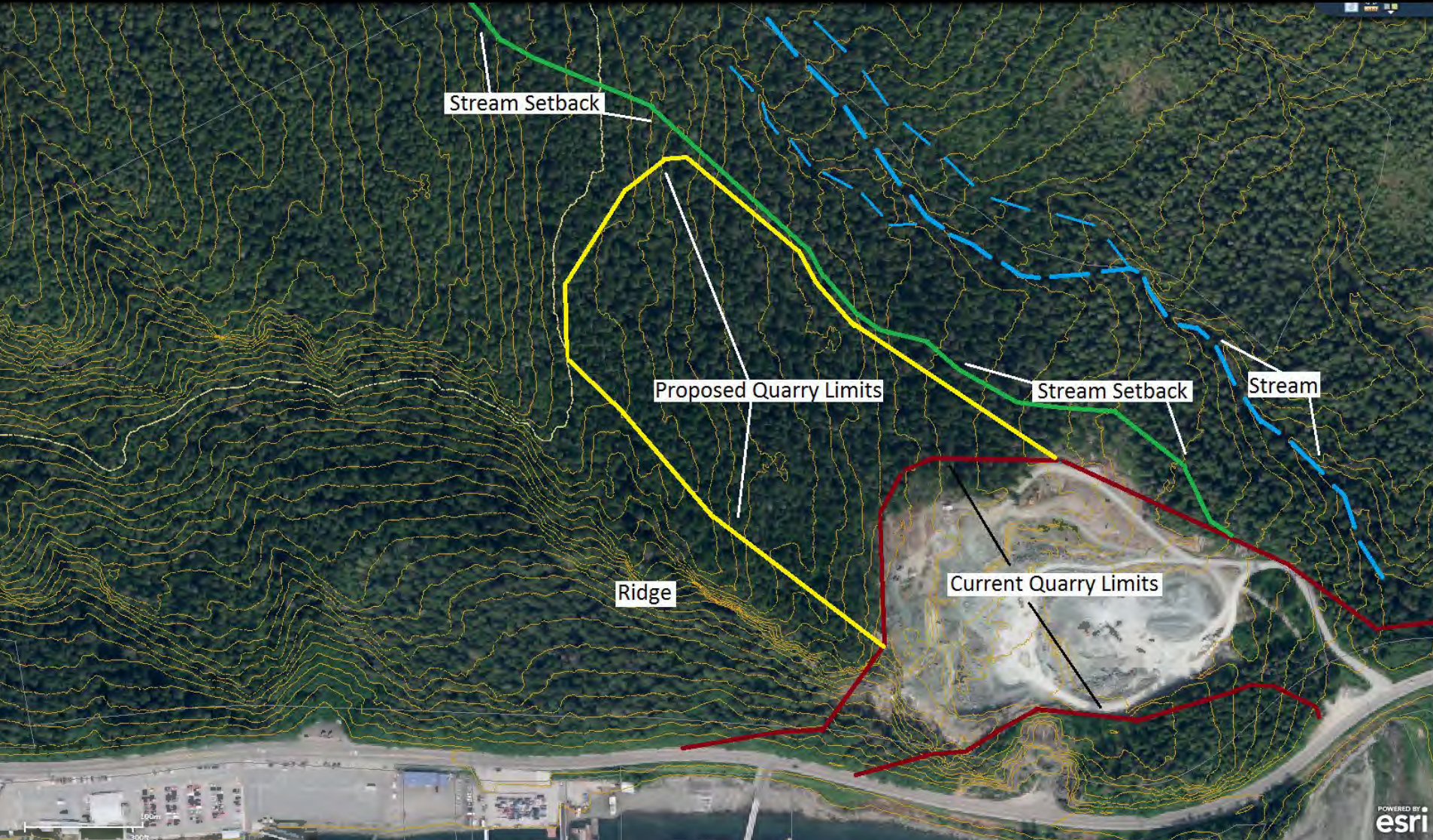
Overview CBJ's Gravel Pits & Quarry Operations

Stabler Quarry





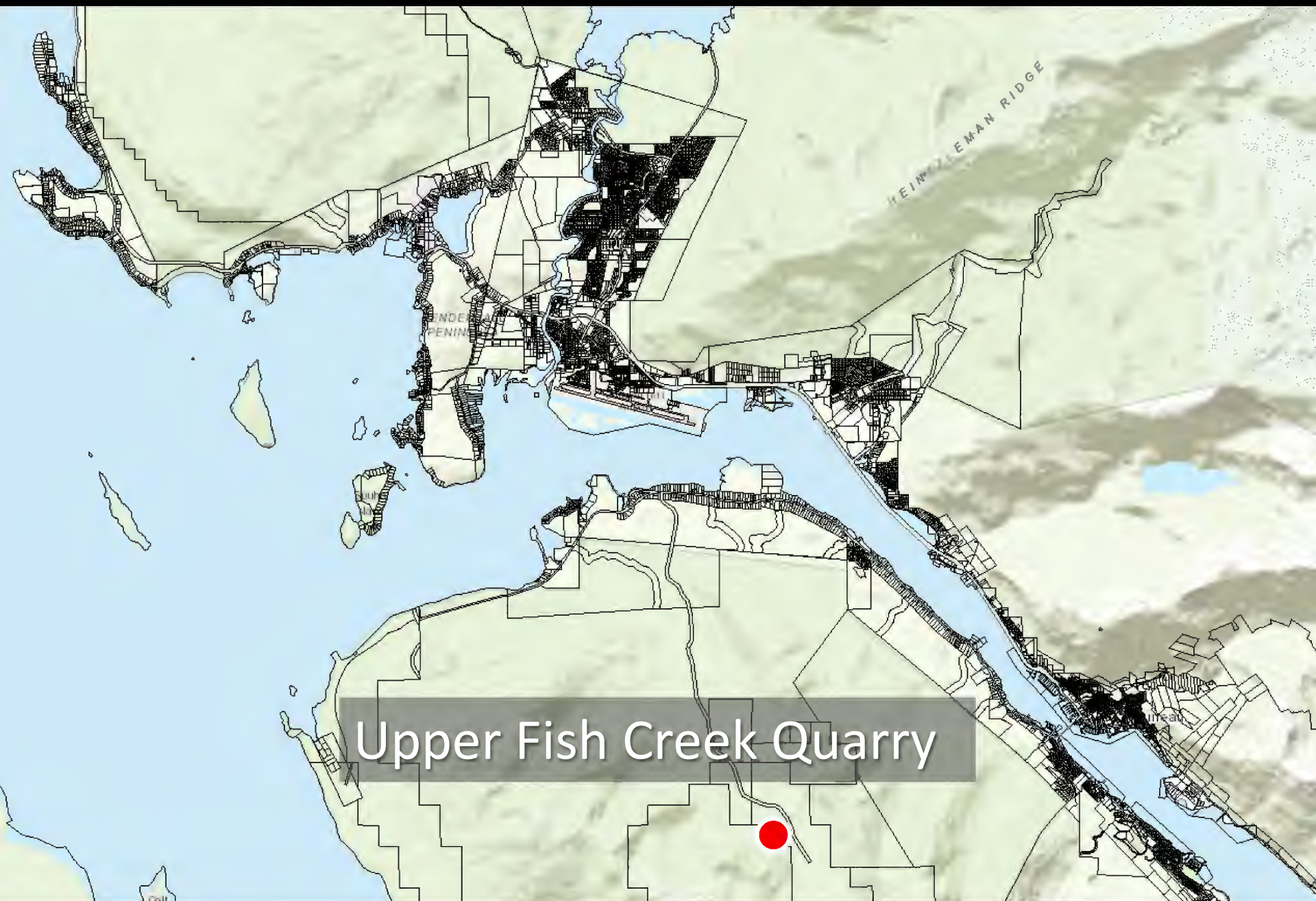
Stabler Quarry Expansion





Lower Fish Creek Quarry





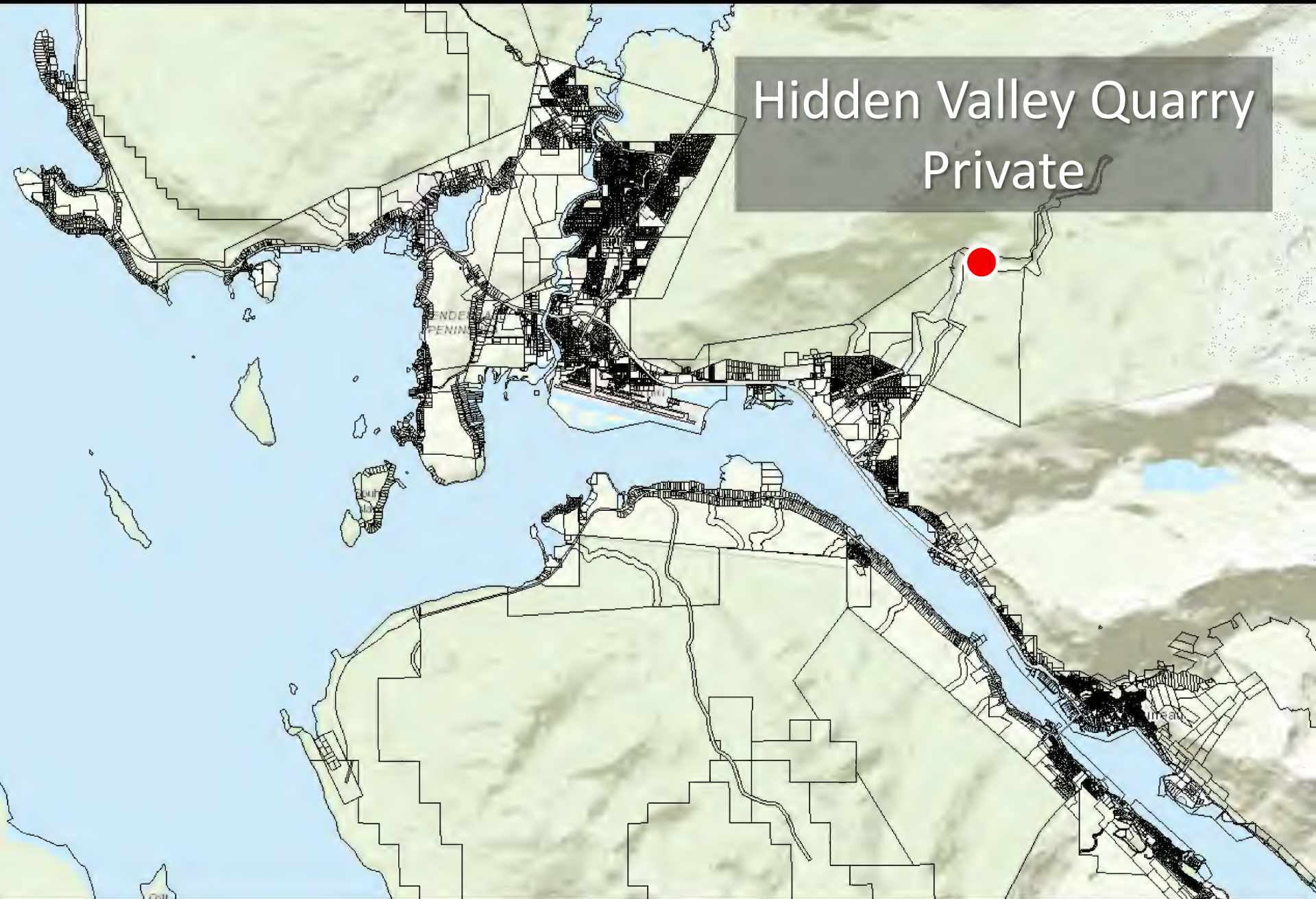
Upper Fish Creek Quarry

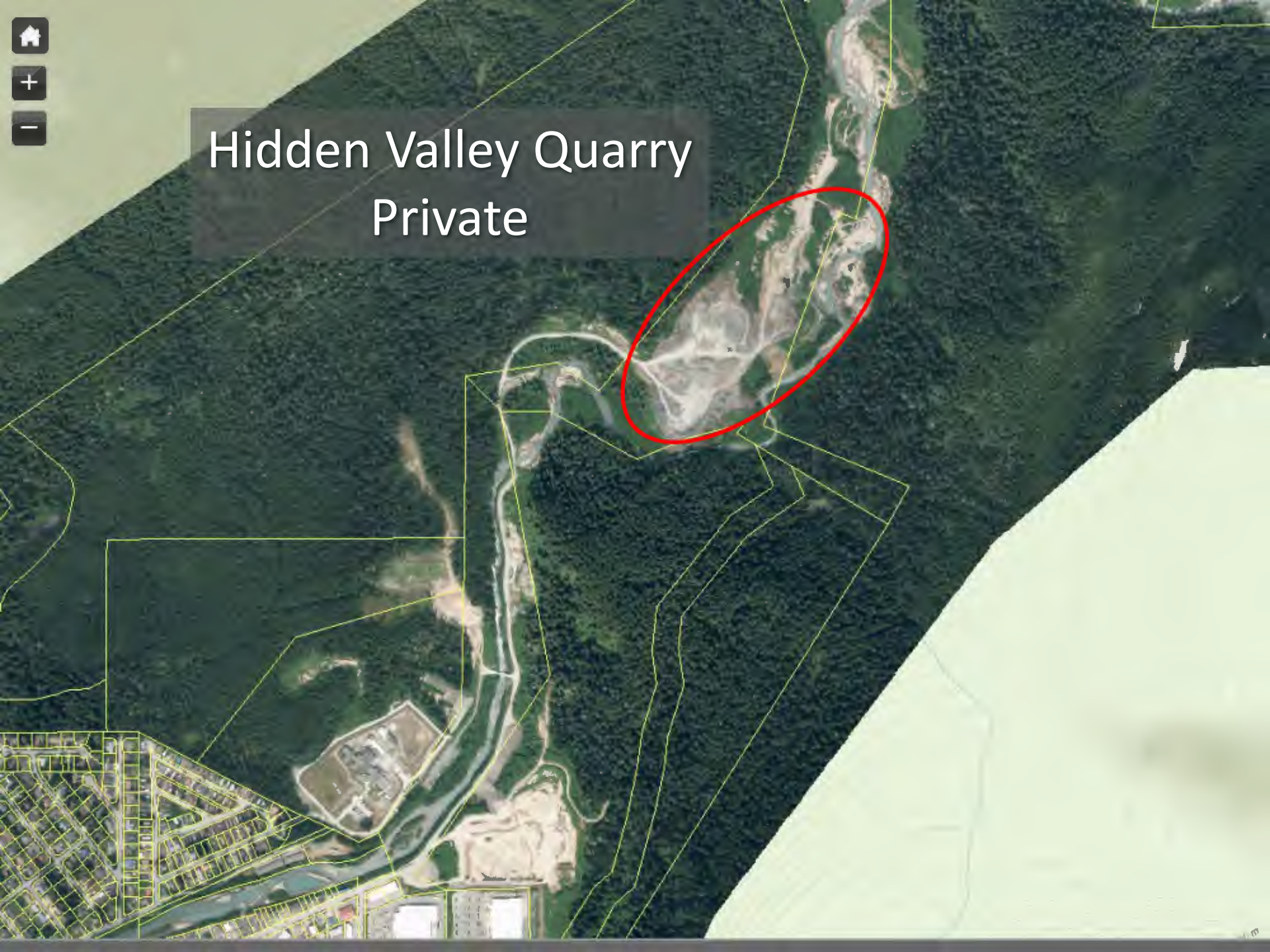


Upper Fish Creek
Quarry

Eaglecrest Ski Area

Hidden Valley Quarry Private





A satellite map showing a large, dark green forested area. A red oval highlights a specific site within the forest, which appears to be a quarry or a cleared area. The site is surrounded by dense forest and is located near a road or path. The text "Hidden Valley Quarry Private" is overlaid on the map in a white font. In the bottom left corner, there are three small icons: a house, a plus sign, and a minus sign, which are typical of a map application's navigation controls. The map also shows some yellow lines indicating property boundaries or roads.

Hidden Valley Quarry Private



Lemon Creek Gravel Pits



Lemon Creek
Gravel Pits



CBJ Property

CBJ Property

CBJ Property

Costco

Home Depot

70m

200ft



Pre-Construction
2007

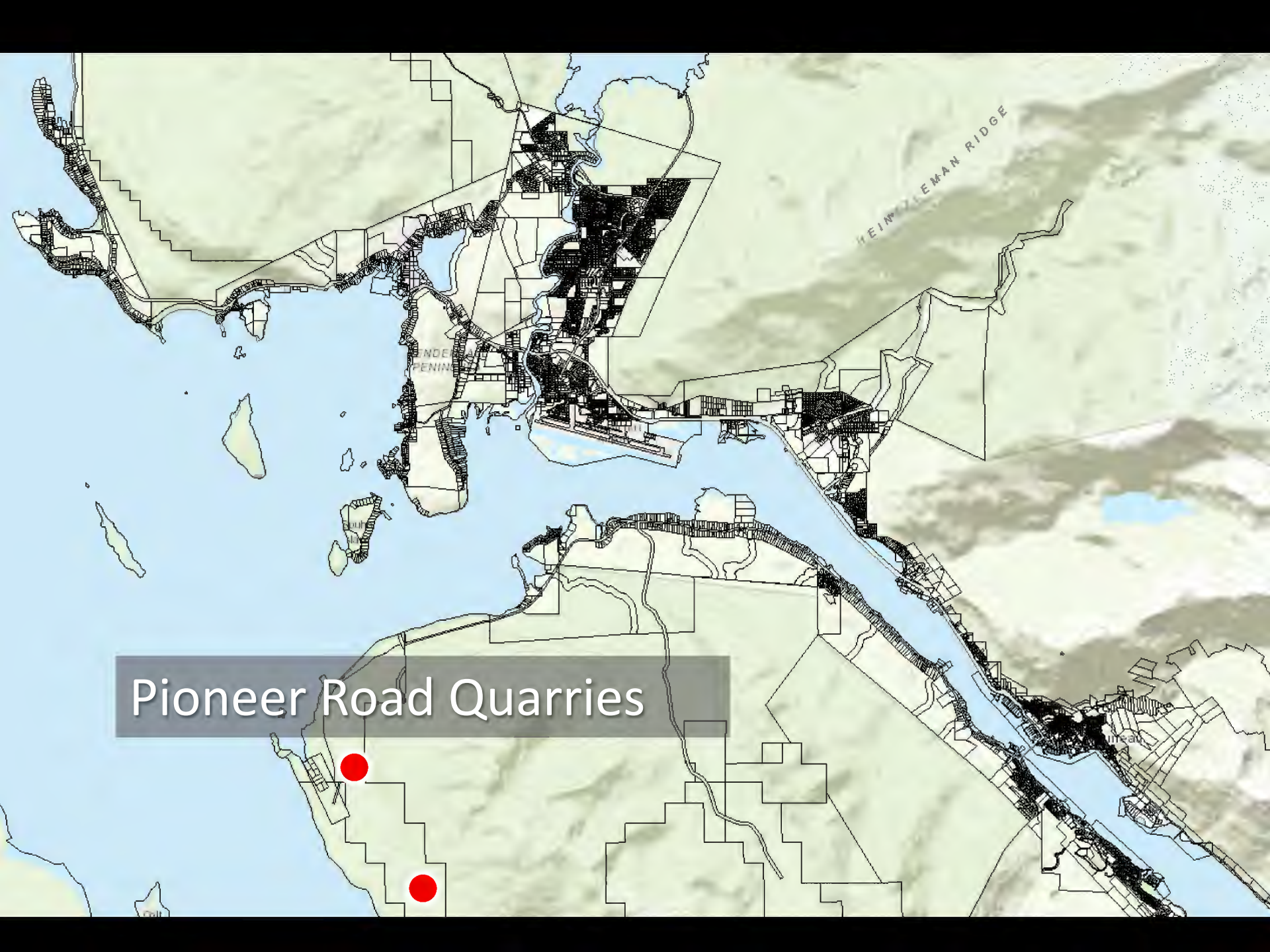


8/14/2014

Private Gravel Pits

Mendenhall Lake



A topographic map of a coastal region. The map shows a large body of water on the left, with several small islands. A prominent ridge, labeled 'HEINZLEMAN RIDGE', runs diagonally across the upper right. A road, labeled 'PIONEER ROAD', winds through the landscape. Two red dots are placed on the road, indicating specific locations. The map includes contour lines and various geographical features.

Pioneer Road Quarries