

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

January 14, 2019 5:00 P.M.
City Hall, Assembly Chambers

I. ROLL CALL

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

A. Welcome and introduction to Roxie Duckworth

Members Present: Mary Becker, Chair; Wade Bryson; Maria Gladziszewski

Members Absent: Michelle Hale

Liaisons Present: Chris Mertl, Parks & Recreation; Paul Voelckers, Planning Commission; Weston Eiler, Docks and Harbors

Other Assembly Members Present: Loren Jones

Staff Present: Greg Chaney, Lands Manager; Dan Bleidorn, Deputy Lands Manager; Roxie Duckworth, Lands & Resources Specialist

II. APPROVAL OF AGENDA

Hearing no objection, the agenda was approved as presented.

III. APPROVAL OF MINUTES

The November 19, 2018 minutes were approved as written.

IV. PUBLIC PARTICIPATION

There was no public participation on non-agenda items.

V. AGENDA TOPICS

A. Vertical Bridge Lease Amendment

Mr. Bleidorn discussed the request from Vertical Bridge Holdings LLC to amend the existing ACS Wireless, Inc. communications site lease from 2012. They are requesting an additional 144 square feet to accommodate a new sublease on the tower for the sublessee's ground equipment. This tower is located at the reservoir site on Douglas, on Blueberry Hill, near the snowmobile parking. This amended lease will also update the contact information, which currently states ACS. Vertical Bridge purchased the tower from ACS in 2017. There is an existing fence included in the amending proposal, in which it was recommended through the Engineering and Public Works Department to accommodate the additional square footage by moving the fence out, so that the additional area will be within the fenced area but not closer to the reservoir. This recommendation was suggested to keep as much distance as possible between the equipment and the municipal reservoir for maintenance and snow removal.

The amended lease will also update current CBJ contact information. The amendment will also update the lease rate, in which every year there is an increase of 3%, with an appraisal every 5 years. The appraisal has just been completed, which will reflect an increase with the base rent

and add an additional 5 year term to the lease to accommodate additional equipment and extra term to allow for the amortization costs of the new equipment and sublease infrastructure. The CBJ will receive 30% of the revenue for this additional sublease on the tower. Mr. Bleidorn recommends that the Lands Committee pass a motion of support to amend the revenue lease for the ACS Wireless/Vertical Bridge and to accommodate an additional sublessee.

Mr. Bryson inquired on what the 30% revenue roughly equals in dollars.

Mr. Bleidorn informed the Committee that Lands does not have that information yet, but prior to signing a lease amendment they (Vertical) will provide Lands with their lease with a new sublessee, which is believed to be Dish Network. This will be signed with an appraisal, with a copy provided with the sublease, based on fair market value.

Mr. Bryson responded with a follow up question in regards to the 30% of revenue created, whether that would be on the tower or on the sublease.

Mr. Bleidorn replied that the overall lease rate includes the additional sublease rate of the tower. The City already receives fair market value of the land that it owns and will receive 30% of the tower lease space from what the company owns and as part of the cost sharing that the City has negotiated to include 30% of the sublease.

Mr. Mertl inquired as to what will occur on the additional 144 square feet that is requested with the sublease. Mr. Bleidorn referred to a projected diagram showing the site plan and replied that they are going to add ground equipment that will connect with the tower equipment that will be placed on the tower and to also include a small generator. Mr. Mertl followed up inquiring if everything is ground based with no additional antenna or tower associated with this lease. Mr. Bleidorn replied that no additional tower, but on the tower itself there is going to be small dish-like equipment, using the existing structure. The tower itself can have three or four subleases on it. This is going to use a small fraction of the tower itself.

Mr. Mertl inquired if the City has ordinances or regulations associated with towers, their height, impacts to aesthetics, and their distances to neighborhoods? Mr. Bleidorn responded that the City does. He also noted that there was another tower that came to the Lands Committee in 2018, making its way through the Planning Department and Planning Commission, requesting to be located out by Lena, off of Merganser Road. Mr. Voelckers also responded that the Planning Commission did a comprehensive rewrite of cell tower ordinances. Mr. Voelckers wanted to note that the power and communications conduit that feeds the new lease actually exits the leased property and comes back into the controlled property, which, as a minimum, might need right away for utility crossing; a minor thing to be aware of. Mr. Bleidorn thanked Mr. Voelckers and made a note of the possible issue.

Chair Becker inquired if there are already three other leases or is there space for three leases. Mr. Bleidorn responded that this would be the first sublease, not second for this tower.

Ms. Gladishowski – moved to recommend to pass a motion to amend the lease to accommodate the additional sublease.

Motion Passed Unanimously.

Mr. Chaney wanted to clarify the different roles between the Community Development Department (CDD) and Lands Division with the City. CDD does oversee a series of regulations about installation of towers both on City land and private property. Lands does not enforce or enact those rules but follows what is directed by CDD.

B. South Lena Subdivision Land Sale

Mr. Chaney provided background on the Lena Lots, which were set aside initially for an eagle nest in the area. The nest has since disappeared, which was foreseen by the Planning Commission at the time the original plat was recorded. The lot has been subdivided into four, roughly equal lots with uniform grade, similar style, and a road either at the top or bottom of the lots, which are fairly easy to build on and have been approved to be subdivided. He requested a motion of support to the Assembly for disposal of these lots; these will be the last four lots in the Lena area for some time. Before another lot sale can be done in this area there would be a significant public process and subdivision. Lands is planning to offer the lots by sealed competitive bid as has been done with all of the other Lena lot sales.

Chair Becker called for questions.

Mr. Voelckers inquired about drainage, if there will be a culvert installed or to allow for a future provision for the culvert. Mr. Chaney responded that right now there is a culvert under the road and a drainage easement has been set aside. The City would not build the drainage improvements. Once someone has decided to develop a lot they would install the drainage infrastructure at that time. These are guidelines for future development.

Ms. Gladishowski moved that the Lands Committee pass this to the Assembly, with support of the Lands Committee.

Chair Becker called for objections and hearing none, she followed up with a question; "What would be the minimum bid for the lots?" Mr. Chaney responded that the bid would be established by appraisal.

Motion Passed Unanimously

VI. STAFF REPORTS

A. Lands Division Overview

Mr. Chaney presented a Lands & Resources Division overview which covered the following:

- Overview of CBJ's Gravel Pits and Quarry Operations

The City provides quite a bit of material for construction through this program and is important to the community. As such, an overview of this program can bring awareness. The star performer in the City's portfolio of rock material sources is Stabler quarry. It is located just above the ferry terminal. One unique quality about Stabler is that its base is in a hollow, which allows for sound to be reflected up into the air and does not radiate outward very much. Recently the quarry limits were expanded with roughly twice the area but that represents more than twice the material as blasting can go downward.

Mr. Chaney included short videos of the quarries, in which he highlighted the traffic cones in one video in that there was no jiggling, which is a carefully planned shot so that the rock goes into a nice pile, with the idea to keep material in the quarry. Blasting is conducted by contractors who blast and process the rock and sell the material while the City only sells the base rock in the ground (the raw material).

Other quarries owned by the City include the Lower Fish Creek quarry, which is just off of the road to Eaglecrest. Another quarry in this area is the Upper Fish Creek quarry, which is small in size, off of Fish Creek road, and mostly used by Eaglecrest ski area.

An importance aspect to quarries are their location in proximity to a project. The closer they are to the project the less it costs to get the material from the quarry to the project; i.e. trucking costs, which can triple the costs of the rock.

There is a private quarry near Hidden Valley in Lemon Creek, which does not have as high quality material but it works well for bulk fill. The City shares the haul road and has a joint road maintenance agreement with Secon who is operating the quarry.

Gravel pits are more valuable in many ways than hard rock quarries and are not the same. The material in gravel pits are sorted and deposited by nature, usually from alluvial fans from an ancient river delta. CBJ has two gravel pits, one is behind Home Depot and Costco in an industrial zoned area. The area is behind Costco and is being mined slowly, as the quality of the material is not as high. This quarry will at some point cease and the land will be used for industrial use. There is a proposal for a compost program, which is a proposed industrial use for this location. There are limitations on this property; no water or sewer supply and limited electrical supply, which will take effort for development.

Ms. Gladishowski inquired about the location of the property, which Mr. Chaney clarified with his slides. Mr. Chaney further explained that alluvial deposits can be valuable if one does not care about sorting, you can scoop up and put in truck.

Mr. Chaney further noted that gravel pits are limited resources, once the material is scooped up, it is gone. Hard rock, in comparison, is all around Juneau, but its location can cause difficulty and the operation can create, such as noise, dust, and truck traffic. Water quality and treatment is important for all gravel pits quarries.

Other CBJ gravel pits include another new gravel pit that is located across Lemon Creek behind the correctional facility. This site known as the North Lemon Creek materials source is similar to the other deposits in the Lemon Creek area. There may be hard rock in this area with potential for excavation. Old gravel pits owned by the CBJ and the private sector (examples highlighted in the slides), can be valuable locations to put stumps when no longer needed but stump dumps can be hard to build on because of settling. But development is possible if pilings are used for a foundation. When building Pioneer Road, we had hard rock locally available in quarries created during the construction.

Mr. Chaney stated that, those are the high points, general contractors conduct the work on the ground and the City manages the areas. Mr. Chaney asked for questions?

Ms. Gladishowski inquired if the contractors are able to use all the rock from a blast. Mr. Chaney responded that they are pretty good with how they blast.

Mr. Mertl inquired if there is something coming down the pipeline we need to be aware of and this is a heads up? Mr. Chaney replied that quarries have many different issues. Running quarries can be dangerous and are overseen by MSHA, the mining safety organization. We work with multiple contractors that have multiple ideas and do not always stand in agreement. One main reason CBJ operates quarries is to keep a steady supply of affordable material for our construction projects. If all of our quarries are sold to private sector than prices can get set very high, we have seen that with asphalt. When there has only been one asphalt supplier, the cost goes up. We sell quarry material primarily for City projects and make some rock available for

private projects. But this isn't generally the case for gravel, it is reserved for City public projects as it is a finite resource.

Mr. Voelckers wanted to follow up on that point, with Stabler being an essentially unlimited supply of rock, does the City's pit at Lemon Creek hold the same potential or what is the future project and does the City have enough gravel resources for the near term. Mr. Chaney replied that one never knows what the next project will be. For example, Douglas harbor was a project that was dredged and had to be capped along with quite of bit of sand that went to the bottom of the harbor. Stabler has an estimated 20 year supply into the future for material and there is probably enough gravel in the Lemon Creek region to meet near term needs. In addition, the active bed of Lemon Creek has some supply, but the bed of Lemon Creek is privately owned and has been mined privately and separate from the Lands Division, which has no involvement.

Mr. Bryson inquired as to what the area by Home Depot/Costco was referred to. Mr. Chaney replied that it is known as the Lemon Creek material source. Mr. Bryson inquired if it is anticipated that once we remove all of usable material, then will this become industrial land? Mr. Chaney replied yes, that was the intention. Mr. Bryson followed up asking if there are other areas that are being looked at that could be a material source or a small quarry that could also become an industrial land once the material has been depleted. Mr. Chaney again replied yes, that an area on Douglas Island, which has been used as a gravel source, is a potential site, but a road would need to be built to access the area. This will be long process, perhaps 30 years into the future.

Mr. Eiler proposed a hypothetical question, what was the source for the State, or the companies, that expanded to Cascade Point. Mr. Chaney replied that this was a private quarry on Goldbelt land that was operated privately. The forest service has a quarry that hasn't been used in a while that has been used by people in the Amalga Harbor area in the past ten years. Mr. Eiler followed up inquiring if there are dozens of quarries or gravel pits around the borough? Mr. Chaney responded that perhaps there are a dozen or just a handful, not dozens, which are often reused for other things. For example the Rotary Park in the valley was an old gravel pit that was used for road construction, as well as the Nancy Street pond.

Chair Becker called for any other questions. None were offered.

VII. COMMITTEE MEMBER / LIASION COMMENTS AND QUESTIONS

Mr. Eiler informed the Committee that Docks and Harbors will kick off their committee meeting next week and board meeting the week after. The Port Director and City Manager have been working on the Archipelago Project, and other projects, with extensive discussion on lease renewals at Yankee Cove. There has been a fairly extensive public testimony on Amalga harbor with comments from residents regarding bear and fish carcasses.

Mr. Voelckers let the Committee know that there has been a fair amount of public interest in Auke Bay planning. The Auke Bay neighborhood meeting will be held on Wednesday night (January 16) and will be the first of a series of meetings to discuss and implement plans.

Mr. Mertl informed the Committee that Parks and Recreation has been busy, their master plan has been completed and the PRAC has approved this document. This plan has been very well vetted, with lots of input, including public input, over the course of two years. This will now go

to Assembly with the idea that this is the master plan for the next 10 years for Parks and Recreation. It is available on their website. A few others things of note, Lands took the DOT request for CBJ access permits and temporary easements for a culvert reconstruction project in Twin Lakes to the PRAC last week; the PRAC recommended approval and will next go to the Assembly. Yesterday (Sunday 1/13/19) was the PRAC's all day annual retreat and they spent time touring facilities out in the Valley and discussed visions and goals and the relationship between the PRAC and the public. Mr. Mertl inquired of staff on what are the rumors about a resort/casino on private land near Eaglecrest, if this was a Forest Service land swap, and if Lands had any information? Mr. Chaney replied that the Forest Service had interest in getting rid of Native property inholding within the Admiralty Island National Monument with a land swap for land along Fish Creek Road. As this is Native land and exempt from CBJ zoning, building codes, etc. (local oversight), so the project has proceeded without any City involvement. Mr. Mertl followed up if this was the first time the CBJ came across this. Mr. Chaney replied that there is the area in the Willoughby District, which is officially called the Indian Village. There are Federal Native properties there that have the same exemptions from local jurisdiction but are integrated into the community and rely on water and sewer, and it tends to be a less stark division from the community. Mr. Chaney indicated that he hasn't seen any development projects that didn't comply with zoning in that area. Ms. Gladishowski inquired if Lands has any documents that say this is the official Lands status. Mr. Chaney responded that would be more of a CDD function, not Lands and would rather not write anything up.

VIII. Chair Becker ADJOURNMENT

There being no further business, the meeting was adjourned at 5:42 PM.