

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

May 1, 2017, 5:00 PM.

Municipal Building Assembly Chambers

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

A. April 10, 2017 Minutes

IV. PUBLIC PARTICIPATION

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

V. AGENDA TOPICS

A. Request to Dispose of Lots 2, 4, and 5 in the Renninger Subdivision

B. City Offices/Long Term Planning

VI. STAFF REPORTS

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

VIII. 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**

April 10, 2017 5:00 PM
City Hall, Assembly Chambers

I. ROLL CALL

Debbie White, Chair, called the meeting to order at 5:02 pm.

Members Present: Chair Debbie White; Assembly members: Norton Gregory; Jesse Kiehl; Mary Becker

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

Staff Present: Michele Elfers, Chief Landscape Architect; Greg Chaney, Lands Manager; Lands and Resources Specialist

II. APPROVAL OF AGENDA

The agenda was approved.

III. APPROVAL OF MINUTES

A. March 20, 2017 Minutes
The minutes were approved.

IV. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

There was no public participation on non-agenda items.

V. AGENDA TOPICS

A. RecycleWorks Program Consolidation and Relocation

Ms. Elfers addressed the committee with the CBJ RecycleWorks presentation included in the April 10th, 2017 Lands Committee packet. Ms. Elfers reviewed the request for a land sale to the Alaska Brewing Company, along with program relocation options for CBJ water utility; hazardous household waste; the recycling program; and a compost facility. Ms. Elfers said the CBJ Finance Committee will discuss program user fees in May, but the focus for tonight's meeting is land issues.

Ms. Elfers addressed the following variables for each of the four program relocation options suggested: time, diversion and service, cost, and stability. An emphasis was placed on time because the City's current landfill is estimated to have 20 years of capacity remaining. If the City diverted recycling and organic waste, the diversion efforts could prolong the lifespan of the current landfill. Diversion is most likely to happen if services are consolidated into one location. Ms. Elfers emphasized the CBJ has the opportunity to control 60% of its waste stream.

The four program relocation options:

- Valley Shop, Barrett Avenue
- Channel Construction Property, Anka Street

Mr. Kiehl asked where people would go on this site to recycle cardboard, plastic, and other recyclables. Ms. Elfer replied the diagram presented before the committee was not set in stone and the suggested locations could change. Ms. Elfers suggested that smaller drop off boxes could be places near the entry to the property, which the City would then service in a larger structure. Another idea would be to make the structure have pre-sorted slots that the public would use so there would be less handling of the material on the City's end.

Chair White commented that only one of the locations outlines where water utility would go and Ms. Elfers replied that this option assumes the City would move water utility to the valley shop; there has not been an evaluation for other locations of the water utility.

- Old Gravel Pit, Lemon Creek
- Long term Lease on Private Property, Capitol Disposal Landfill, Tonsgard Court

Mr. Gregory asked what happens at the water utility site and Ms. Elfers replied there is office space for the 6-8 CBJ employees that work there; shop space for vehicles; equipment services like valves, pipes and meters; skaida equipment; and also renting half of the building to the Alaska brewing company for office space.

Mr. Kiehl asked if the Valley shop means the 7mile shop and Ms. Elfers replied the Valley shop is right next to the bus barn. Mr. Kiehl asked if the CBJ has looked there for space and Ms. Elfers replied she hasn't but that the space is already tight for the Streets Division as it is.

The Lands Committee invited the Alaskan Brewery Company representative to come before the committee.

Mr. Geoff Larson, Alaskan Brewery Company representative, gave a general history of land use in Lemon Creek and emphasized the Brewery has been able to grow eastward, however on the westward front, the brew house has been growing in the same footprint and that this will become a bottleneck if not addressed.

Mr. Kiehl asked if the Brewery would not need any of the existing buildings on the 4 CBJ lots and Mr. Larson confirmed it so.

Mr. Gregory asked if the brewery owns any other property in the general area and Mr. Larson said yes, the empty lot across from the Costco however it is not useful for the current brewery operation. Mr. Gregory asked if Mr. Larson would entertain the idea of working with the City to relocate the CBJ operation down to this vacant lot and Mr. Larson said the Brewery would entertain any option. Mr. Larson said the lot has a repurchase option, there are a number of lots involved, and it's around two acres so there may be a footprint issue. Mr. Gregory asked if Mr. Elfers could investigate the vacant lot and said Ms. Elfers replied she did not know much about the lot. Mr. Larson said the ownership of the approximately 2 acre lot is mixed because of the repurchase

option. Ms. Elfers said the lot could be used for household hazardous waste but she was not sure if it could accommodate both household hazardous waste and recycling.

Mr. Kiehl said it's to the City's benefit to consolidate operations; enable the adjacent landowner to grow the business; and examine additional land options for relocation.

The Lands Committee reviewed the following three motions to be forwarded to the Finance Committee:

1. A recommendation to authorize the manager to begin negotiations directly with the Brewery for sale of the four lots.
2. A recommendation to move the water utility to the valley shop
3. A recommendation to purchase the Channel property, move Recycling and HHW to the property and consider other program components such as Junk Vehicles and composting on the site.

Mr. Kiehl said he was in support of the first and second motion but was hesitant regarding the third motion, especially because a thorough financial evaluation of the properties has yet to occur.

Ms. Elfers asked the Lands Committee to refine the list of potential program relocation properties. Mr. Gregory replied that the gravel pit location is not an option, and the Lands Committee confirmed it so. Mr. Kiehl said the former valley shop site is less appealing as a drop off for the general public and would like to see staff look more into the possibilities of a lease. If the City proceeds with a lease, it will have needed to save a fair amount of money throughout the lease; Mr. Kiehl requested more financial information to see if a lease should or should not be considered. Mr. Kiehl said he is also surprised the 7 mile site is tight, and wanted an analysis of this property in addition to Mr. Gregory's request regarding the Alaska Brewing Company's lot across from Costco.

The Lands Committee unanimously forwarded a motion of support to the Assembly to authorize the manager to begin negotiations directly with the Brewery for sale of the four lots.

PUBLIC PARTICIPATION ON AGENDA ITEM A

There was no public participation on Agenda Item A.

B. Dwight Williams and Carol Colp Application to Acquire City Property

Ms. Friedlander addressed the Lands Committee with her April 6th, 2017 memo. The CBJ Lands Office received an application from Dwight Scott Williams and Carol Colp to acquire City property in North Douglas, about one-third of a mile outbound of the Fish Creek Bridge. The applicants own a substandard triangular shaped lot approximately 14,000 square feet at 11259 N. Douglas Highway. The applicants would like to purchase City property on each side of their lot to form a rectangular lot. The applicants' current request of 14,000 square feet of CBJ property would still make their lot substandard for land located with a rural

reserve zoning designation; they would be interested in acquiring more property if an appraisal shows the land will be affordable.

Mr. Gregory asked what Mr. Williams would do with a non-conforming lot and Mr. Williams replied he would build a house on the lot although that would be much more difficult to do. Mr. Williams said he is planning to build a small house on the lot. By adding more square footage to his existing lot, Mr. Williams believes it will be easier to develop. Mr. Gregory asked if Mr. Williams would be interested in buying enough property to make the lot conforming and Mr. Williams replied he would if he could afford it. At this point in time, Mr. Williams said he would just like to square off the lot so that it is rectangular, but that if he can afford more property, he is interested.

Chair White disclosed that she did reach out to the applicant with the same question because of her concern of building on a non-conforming lot. Mr. Williams said he would prefer a larger lot, but that affordability is a challenge.

Mr. Kiehl said the land is managed by both CBJ Lands and Resources Division and the CBJ Parks and Recreation Department, and was curious what Parks and Recreation thought of Mr. Williams' proposal. Ms. Friedlander replied she had not asked Parks and Recreation for their input on this proposal, and that the Land Management Plan lists the property as "retain/dispose." Mr. Chaney added that the anadromous stream that runs through the property is what is designated as Parks and Recreation managed property; the rest of the lot is managed by the Lands and Resources Division.

Chair White was concerned the motion did not incorporate enough flexibility for surveyors when evaluating the property but Lands staff confirmed the word "approximately" allows for this flexibility.

The Lands Committee unanimously forwarded a motion of support to the Assembly for a fair market value negotiated sale ranging from approximately 14,000 to 22,000 square feet of City property from USS 3559 Lot 2 (CBJ LND-1421) to the original applicants, Dwight "Scott" Williams and Carol Colp.

PUBLIC PARTICIPATION ON AGENDA ITEM B

There was no public participation on Agenda Item B.

VI. STAFF REPORTS

There were no staff reports.

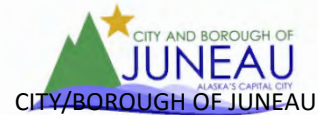
VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

There were no committee member or liaison comments or questions.

VIII. ADJOURNMENT

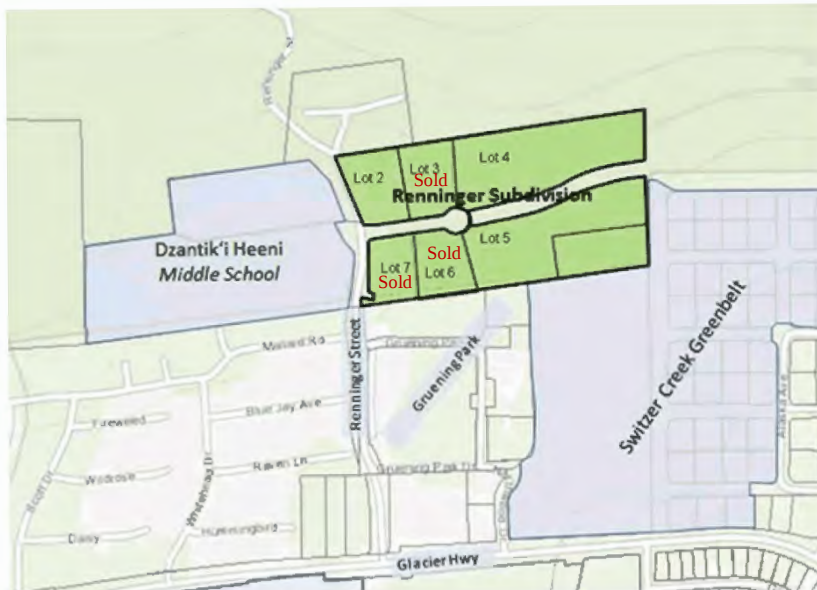
The meeting was adjourned at 5:55pm.

MEMORANDUM



Lands and Resources Division
 155 S. Seward St., Juneau, Alaska 99801
 Rachel.Friedlander@juneau.org
 Voice (907) 586-0617
 Fax (907) 586-5385

TO: The Lands Committee
FROM: Rachel Friedlander, Lands and Resources Specialist *Rachel Friedlander*
SUBJECT: Request to Dispose of Lots 2, 4, and 5 in the Renninger Subdivision
DATE: April 26, 2017



Renninger Subdivision was platted November 2015, delineating 6 residential lots available for development. The region is zoned D15 which allows for multifamily development at a density of 15 units per acre. There are over 12 acres contained within the subdivision with a potential development of 186 dwelling units.

Since 2016, three of the six residential lots have been sold. The Alaska Housing

Development Corporation purchased Lots 6 and 7 at a fair market value of \$266,000 in August 2016 (Ord. 2016-27). The Juneau House Build Partnership-- comprised of the Juneau Housing Trust, University of Alaska Southeast, and the Juneau School District-- purchased Lot 3 at half of fair market value for \$95,000 in September 2016 (Ord. 2016-35). Renninger Lots 2, 4, and 5 remain (see Attachments A, B, and C).

Lot	Size	Price/SF	Total Value Rounded
Lot 2	54,381 SF	\$3.75	\$204,000
Lot 3	50,683 SF	\$3.75	\$190,000
Lot 4	164,858 SF	\$2.50	\$412,000
Lot 5	190,873 SF	\$2.00	\$382,000
Lot 6	47,851 SF	\$3.00	\$144,000
Lot 7	40,734 SF	\$3.00	\$122,000
Total		\$2.65 avg.	\$1,454,000

Figure 1. Appraised values for Renninger Subdivision residential lots.

Development of the Renninger Subdivision has cost the Lands Division approximately \$700,000. The respective market values for the remaining lots were recently confirmed by appraiser Julie Dinneen as unchanged since their initial appraisal in January 2016. When all lots are finally sold, the Renninger subdivision will have brought in revenues that exceed expenses by approximately \$660,000 which will be applied to future land development projects.

Initially, the CBJ considered several innovative proposals put forth by the Pacific Development Group (PDG) for the remaining Renninger lots. However, after considering several of their proposals, it was determined that none were appropriate for the City (see Attachment D).

With direction from the 2016 Land Management Plan to dispose all of the residential lots in the Renninger Subdivision, Lands is requesting Assembly approval to move forward with the disposal of the remaining Renninger lots. Such disposal will create opportunities for more multi-family development.

On April 26th, 2017, Lands staff received an application from the Alaska Housing Development Corporation (AHDC) to purchase Lot 2 for fair market value through direct negotiations (see Attachments E and F). Lands staff supports the direct negotiated sale of Lot 2 to AHDC since the group has already demonstrated their commitment to developing affordable housing in Juneau and are the current owners of neighboring Lots 6 and 7 in the Renninger Subdivision.

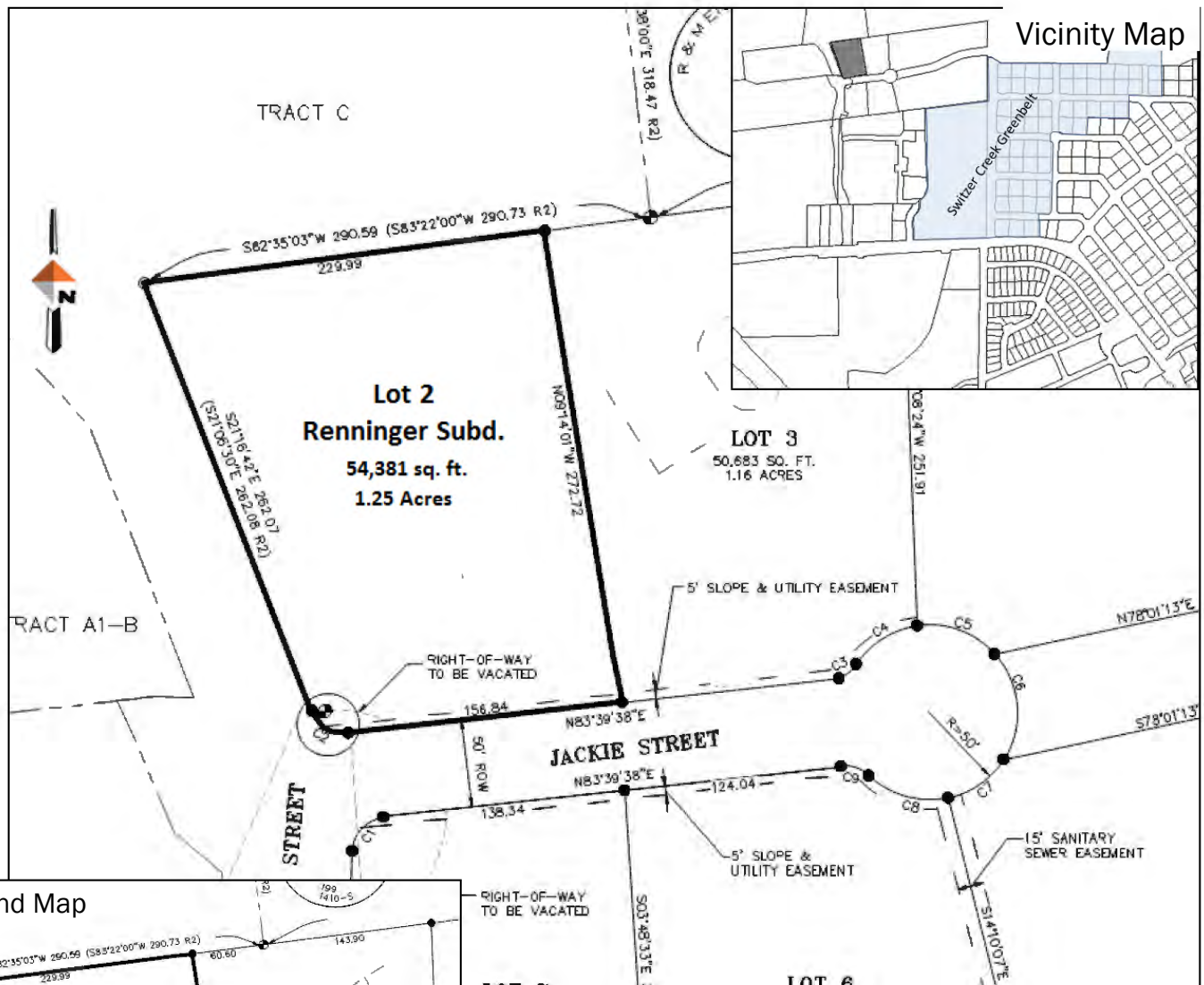
The next steps will be to request a motion of support from the Assembly to dispose of Lot 2 to the Alaska Housing Development Corporation, the original applicant; and draft an ordinance for the disposal of Lots 4 and 5 through the sealed competitive bid process.

Conditions of the Sale

Each lot shall be purchased at fair market value, with the purchaser being required to purchase title insurance and pay all closing and recording costs. CBJ financing is available, with 5% down, the balance being paid over a period of ten years at an annual interest rate of ten percent.

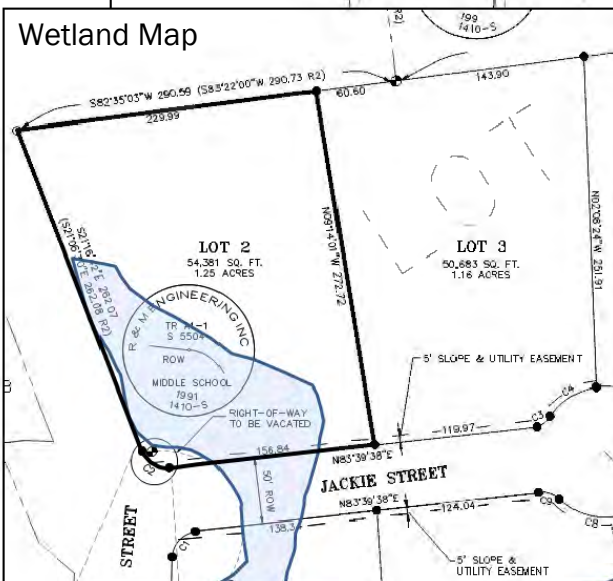
If an ordinance is adopted to dispose of lots 4 and 5 through sealed competitive bid, Lands staff will also include the remaining lot from the 2016 Lena Land Sale Lot 10, Block A, South Lena Subdivision as part of this land sale (see Attachment G).

Lands staff recommends that the Lands Committee pass a motion of support for the negotiated sale of Renninger Lot 2 to the Alaska Housing Development Corporation and for a sealed competitive bid sale of Lots 4 and 5 in the Renninger Subdivision.

Legal Description: Lot 2, Renninger Subdivision**Acreage: 54,381 Sq. Ft. 1.25 Acres**

Vicinity Map

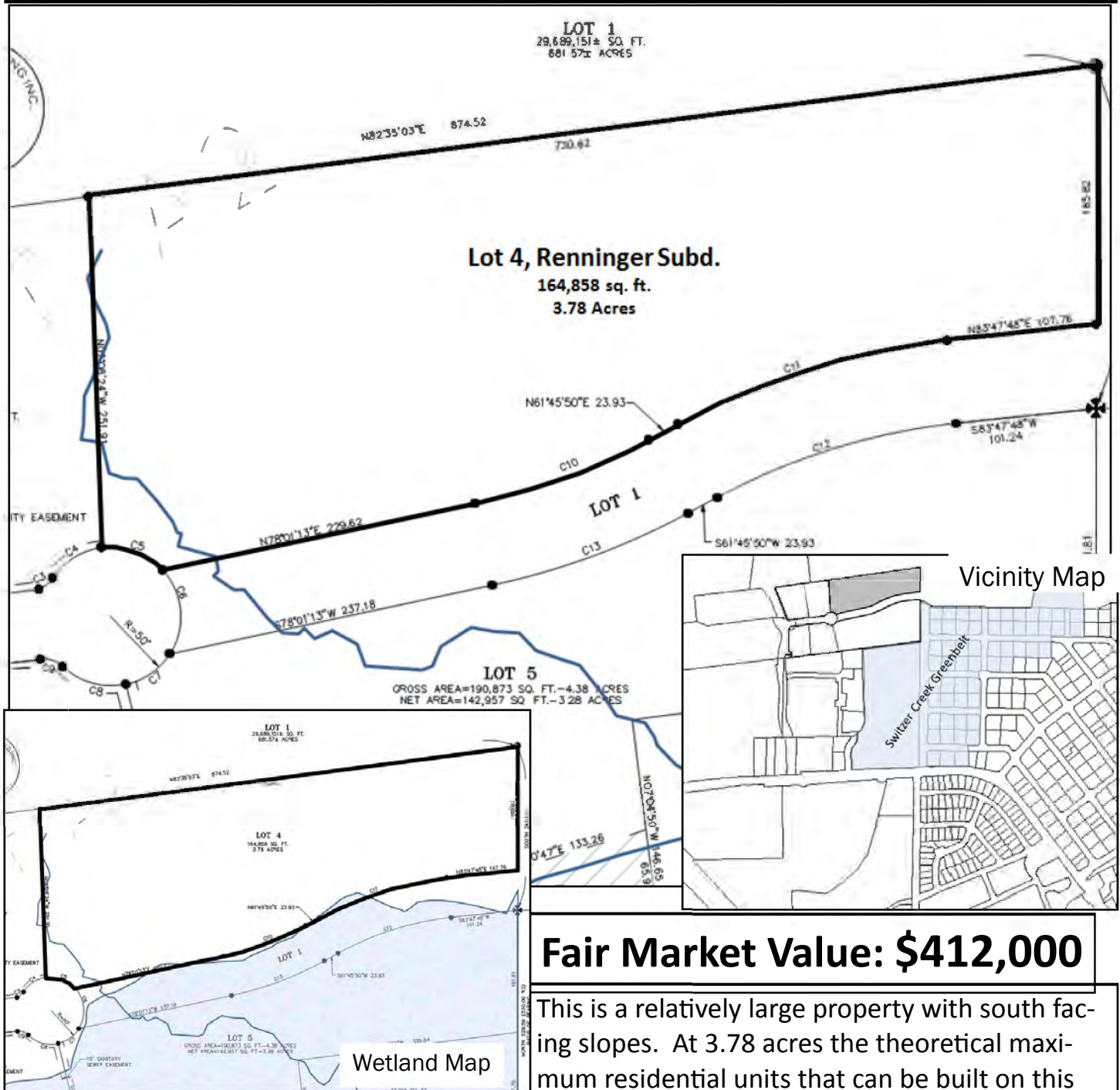
Wetland Map

**Fair Market Value: \$204,000**

This lot is located on the corner of Renninger Street and Jackie Street. At 1.25 acres the theoretical maximum residential units that can be built on this lot is 18.

Wetlands: This lot contains roughly 14,300 square feet of wetlands. The Army Corps of Engineers has permitted the filling of .09 acres or 3,920 square feet of wetlands.

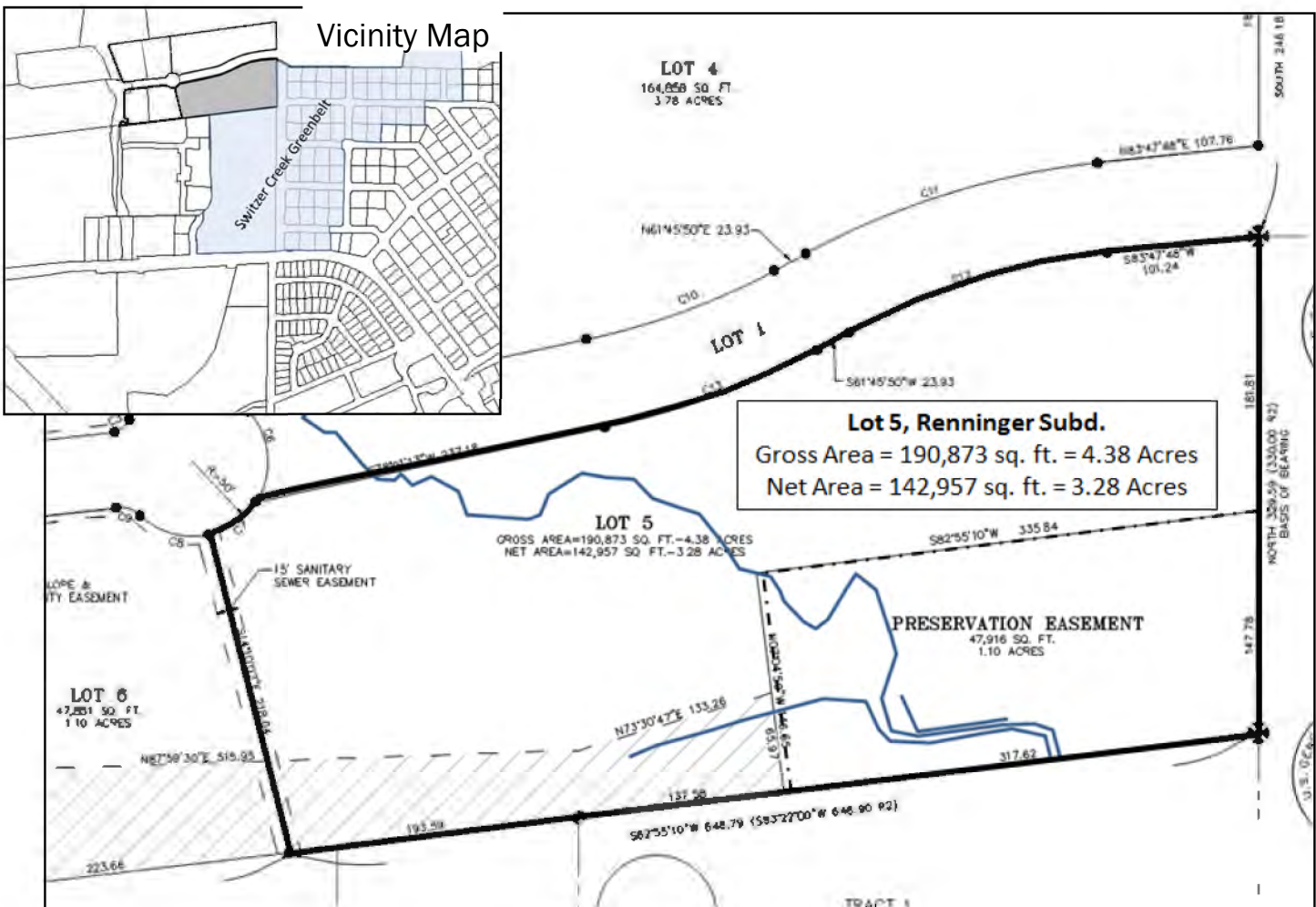
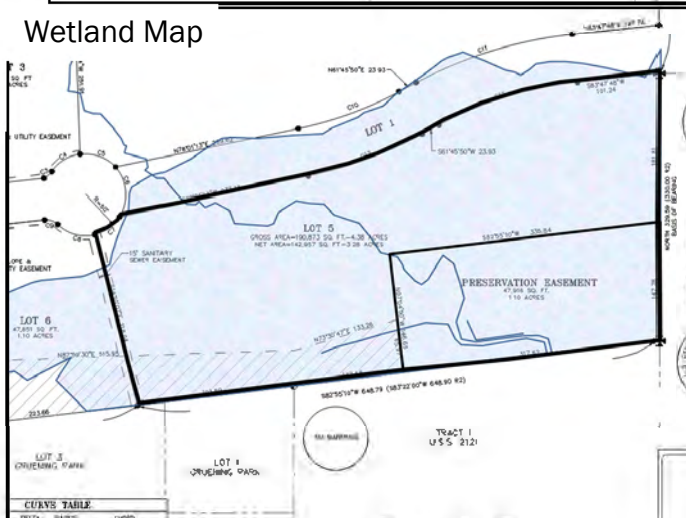
Special Conditions: None.

Legal Description: Lot 4 Renninger Subdivision**Acreage: 164,858 Sq. Ft. 3.78 Acres****Fair Market Value: \$412,000**

This is a relatively large property with south facing slopes. At 3.78 acres the theoretical maximum residential units that can be built on this lot is 56. Topography may make developing the maximum density allowed on this lot challenging.

Wetlands: This lot has roughly 1,167 square feet of wetlands located on this southern property line. The Army Corps of Engineers has not permitted the filling of wetlands on this lot.

Special Conditions: There is a small confined drainage on the southeast portion of the property. The crossing of this drainage has been permitted by the US Army Corps of Engineers.

Legal Description: Lot 5 Renninger Subdivision**Acreage: 190,873 Sq. Ft. 4.38 Acres****Wetland Map****Fair Market Value: \$382,000**

At 4.38 acres the theoretical maximum residential units that can be built on this lot is 65.

Wetlands: This lot is predominantly wetlands. The Army Corps of Engineers has permitted the filling of 0.28 acres or 12,196 square feet of wetlands on this lot.

Special Conditions: The southeastern portion of this lot has a no-disturbance preservation easement. This easement was a stipulation of

the Corps Permit and protects the valuable habitat closest to Switzer Creek. The southwestern portion of this lot has storm drainage and trail and sewer easements. The US Army Corps permit for this lot allows filling 0.28 acres of the lot near the Jackie Street cul-de-sac. A new fill permit would probably be required to achieve maximum density.

From: Mark Lewis [<mailto:marklewis0627@aol.com>]
Sent: Thursday, April 27, 2017 8:05 AM
To: Greg Chaney
Cc: Rorie Watt; Jesse Kiehl; Bob Bartholomew
Subject: Re: Renninger Subdivision Lot Sale

Hi Greg, I can appreciate your decision and I do not object. We are still interested in the property even though it has significant development challenges. We have carefully worked out a development plan for the site that we believe is workable, but it has significant risk. We are also still working through the "Bond Bank " issue. I think we will be able to resolve that issue after the Legislature adjourns. Once we resolve the "bond Bank" issue we will recontact you. We will also start a search for other suitable land in the community. Thank you for your time and effort in helping to bring some more affordable housing to Juneau

Mark
Mark Lewis, Esq.
Alaska Pacific Development
775-997-5000
marklewis0627@aol.com

On Apr 26, 2017, at 6:05 PM, Greg Chaney <Greg.Chaney@juneau.org> wrote:

Hi Mark and Dave,

I wanted to reach out to let you know that CBJ Lands Division is recommending to the CBJ Lands Committee to offer lots in the Renninger Subdivision for sale at fair market value.

Thank you for your interest and innovative concepts however since over a year has passed without developing a viable purchase option, we need to move forward.

The topic is scheduled for the Lands Committee on May 1 2017, at 5pm Alaska Time.

Sincerely,
Greg Chaney
CBJ Lands Manager

Greg Chaney | CBJ Lands and Resources Manager | ph 907.586.0205
[Lands and Resources Homepage](#) | Greg.Chaney@Juneau.org

ATTACHMENT E

Alaska Housing Development Corporation

1800 Northwood Drive

Juneau, Alaska 99801

(907) 780-6666 fax: (907) 780-4533

April 27, 2017

Mr. Dan Bleidorn
Deputy Lands Manager
City and Borough of Juneau
Division of Lands and Resources
155 S. Seward Street
Juneau, AK. 99801

Re: Application to Purchase Lot #2 Renninger Subdivision

Dear Dan:

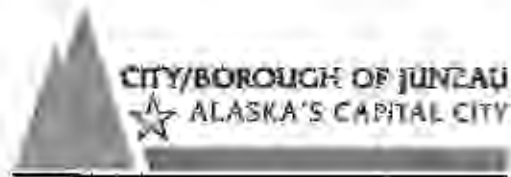
The Alaska Housing Development Corporation (AHDC) is applying to the City and Borough of Juneau to purchase Lot 2 of the Renninger Subdivision. The Alaska Housing Development Corporation is a local not-for-profit corporation, which has developed, owns and manages 136 affordable rental units on three sites in the same Lemon Creek neighborhood as Lot 2.

Lot 2 consists 53,381 square feet, and includes 14,300 square feet of wetlands. The Army Corp of Engineers has permitted the filing of .09 acres of 3,920 square feet of wetlands. Our preliminary concept would provide for the construction of a cluster development of one and two bedroom cottage-style affordable housing units. This would allow preservation of much of the wetlands and would be consistent with the development of the Lot 3 by the Juneau Housing Trust. AHDC is a sponsoring organization for the Juneau Housing Trust.

We hope this development of Lot 2 along with the development of Lot 3 by the Juneau Housing Trust, will set the development standards for the remaining lots of the Renninger Subdivision and allow the City and Borough to satisfy one of its primary goals of providing affordable housing in a neighborhood setting.

Sincerely,
Alaska Housing Development Corporation

Stephen F. Sorensen
President



APPLICATION FOR A NEGOTIATED FAIR MARKET VALUE SALE OF LANDS OWNED BY THE CITY AND BOROUGH OF JUNEAU

Application No.

Staff only

Assessor's No.

Assessor's number available using the CBJ Assessor's Database: <http://www.juneau.org/assessordata/sqlassessor.php>

Legal name of applicant(s)

Mailing address

1. Legal description of property to purchase (attach map)

Lot 2, Renninger Subdivision

Wetlands: This lot contains 14,300 square feet of wetlands, and the Army Corps of Engineers has permitted the filling of .09 acres or 3,920 square feet of wetlands.

2. Existing parcel size

Square feet: Acres:

Parcel (lot) size available using the CBJ Assessor's Database: <http://www.juneau.org/assessordata/sqlassessor.php>

3. Existing utilities

Water: On Site ☐ Public ☐ None ☐

Sewer: On Site ☐ Public ☐ None ☐

Utilities information available using the CBJ Assessor's Database: <http://www.juneau.org/assessordata/sqlassessor.php>

4. Access

5. Provide a brief description of your proposal to purchase CBJ land(s)

To construct addition affordable housing units for the community of Juneau.

Alaska Housing Development Corporation is a local not-for-profit corporation, we have developed and own and manage 136 affordable rental units on three sites in this same Lemon Creek neighborhood.

5. *Continued*

6. Comprehensive plan designation for property *(Staff only)*

7. Zoning designation

D-15 Multifamily

Zoning designation available using the CBJ Assessor's Database: <http://www.juneau.org/assessor/ava/sqlassessor.php>

I HEREBY CERTIFY THAT all of the statements made in this application and its incorporated attachments are true and correct.

Tamara Rowcroft, Executive Director

Name and Title (Please Print)

Name and Title (Please Print)



Signature

Signature

Return application to the Lands and Resources Office, 105 Municipal Way, Third Floor or Lands_Office@juneau.org

Staff only

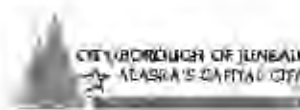
RECEIPT of the above application and attachments together with filing fee (non-refundable) in the amount of \$500.00 is hereby acknowledged.

FULL APPLICATION RECEIVED by Lands staff on by:

MM/DD/YYYY

Name and Title (Please Print)

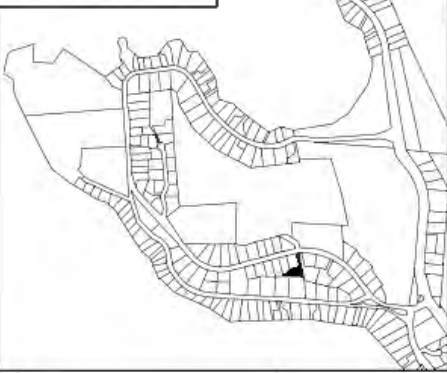
Signature



Parcel #26 Acreage: 46,425 square feet

Legal Description: Lot 10, Block A, South Lena Subdivision

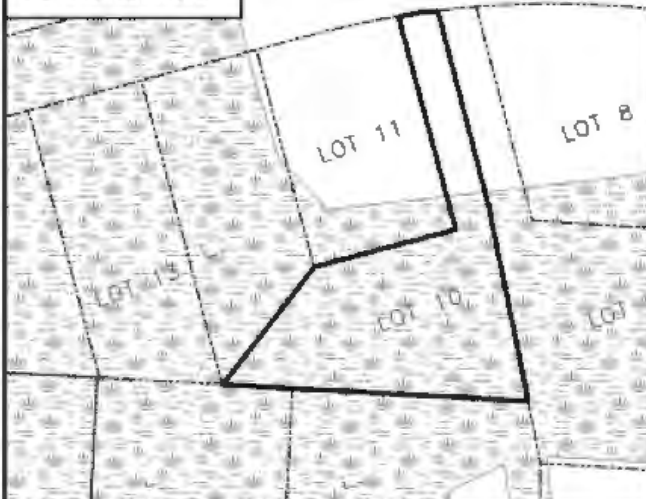
Vicinity Map



Parcel Detail



Wetlands



Minimum Bid: \$ 99,000

Wetlands: This lot is predominantly wetlands. The Army Corps of Engineers has permitted the filling of 13,904 square feet of wetlands.

Special Conditions: Special conditions E, F and G apply to this lot. See page 6 and 7 for descriptions of those conditions.



City and Borough of Juneau
City & Borough Manager's Office
155 South Seward Street
Juneau, Alaska 99801
Telephone: 586-5240 Facsimile: 586-5385

TO: Debbie White, Chair of Assembly Lands Committee DATE: April 17, 2017
FROM: Rorie Watt, P.E., City Manager *[Signature]*
RE: City Offices/Long Term Planning

Most of you are likely aware that the 22,000 sf Bill Ray Center is listed for sale for \$3.5M. Last week, the owner's rep and a realtor invited the Mayor for a tour, and requested that the CBJ consider purchase of the property for City offices.

Annually, the CBJ pays about \$700k in office rent for about 32,000 sf of space and owns the 16,000 sf City Hall (additionally, Docks & Harbors pays \$54K for 1,809 SF). There are good reasons for and against consideration of purchase of the Bill Ray Center, including:

Pro:

Bill Ray Center has lots of parking, easier access for the public.
Some downtown offices could be better suited as housing.
Better for the CBJ to own its own facilities.

Con:

Purchase & Renovation (unknown) cost.
Loss of activity in downtown core.
Potential loss of efficiency from splitting up CBJ offices.

Another Option:

If considering Bill Ray, CBJ should consider also review other options including a purpose built City Hall on top of the DTC Parking Garage (the structure was built to allow two floors of office space or three floors of parking). Our existing facilities are space inefficient and a purpose built structure would be smaller than the total of our current spaces, and would be more efficient to maintain. The DTC could allow at least 40,000 sf of office space. Due to increased competition, capital projects will generally be less expensive to purchase over the next several years, capital construction by the CBJ has a positive effect on our economy.

Context:

Over the long term, it most economical for CBJ to own its facilities. Due to the completion of the larger dock on the north end of the waterfront and potential improvements to the seawalk and uplands around Marine Park, the value and convenience of the existing City Hall and rental spaces are changing.

Recommendation:

Request staff to make analysis of these issues a priority.