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

October 10, 2016, 5:00 PM.
Municipal Building Assembly Chambers

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

A. August 29, 2016 Minutes

IV. PUBLIC PARTICIPATION

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

V. AGENDA TOPICS

A. RH Development Proposal

B. Negotiated Sale of North Franklin Parking Lot

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

August 29, 2016 5:00 PM
Municipal Building Assembly Chambers

I. ROLL CALL

Kate Troll, Chair, called the meeting to order at 5:00 pm.
Members Present: Chair Kate Troll; Assembly members: Debbie White, Mary Becker; Jerry Nankervis (telephonic participation)
Liaisons Present: Chris Mertl, PRAC; Carl Greene, Planning Commission
Liaisons Absent: Bob Janes, Docks & Harbors
Staff Present: Rorie Watt, City Manager; Carl Uchytil, Docks and Harbors Port Director; Greg Chaney, Lands Manager; Dan Bleidorn, Deputy Lands Manager; Scott Ciambor, Chief Housing Officer

II. APPROVAL OF AGENDA

The chair asked that item "D" on the agenda be moved up as soon as the City Manager was available to give the presentation. The agenda was approved as amended.

III. APPROVAL OF MINUTES

A. August 15, 2016

The August 15, 2016 minutes were approved.

IV. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

There was no public participation on non-agenda items.

V. AGENDA TOPICS

A. Docks and Harbors: CBJ/Central Council Tlingit Haida Indian Tribes of Alaska (CCTHITA) Lease

Mr. Uchytil addressed the Lands Committee on the proposed CCTHITA Thane Ore House lease and answered questions from the committee. The Docks and Harbors board approved the CCTHITA lease in its July 2016 meeting, and the lease will now be heard at the next Assembly meeting pending the Lands Committee's recommendation, said Mr. Uchytil.

Mr. Mertl asked if the public would still have access to the piece of DNR and CBJ property that runs through, and adjacent, to the property that will be leased and Mr. Uchytil replied that during the RFP process, a successful proposal had to provide 5 parking spaces for roadside fisheries. CCTHITA noted they had no objections to the public driving through the lot to access the DNR land, said Mr. Uchytil.

Ms. Becker asked what area was DNR property and inquired about the process needed by CCTHITA to propose changes to the lease and Mr. Uchytil refered to a diagram (page 40 of the packet) of the leased area and replied that in the terms of the lease, the CBJ has only requested 5 parking spaces and that the waterfront is DNR property.

Ms. White made a motion that the CBJ/ CCTHITA lease be forwarded to the full Assembly. The motion was approved unanimously.

PUBLIC PARTICIPATION ON AGENDA ITEM A

There was no public participation on agenda item A.

D. Parking Issues Update

City Manager, Rorie Watt addressed the Lands Committee on the fee in-lieu of parking ordinance and provided an update on the use of fee in lieu of parking in Juneau. Mr. Watt recounted the previous Assembly's desire to encourage housing development by modifying code, reviewed why structured parking costs are high, and highlighted the financial constraints of developers when attempting to build housing that may include parking. Mr. Watt stated he plans to meet with DBA and DIG as an ad hoc parking committee to examine parking efficiency on the streets and in the garages.

Ms. White commented that between purchasing the lot and getting it paved, the City has $1 million dollars invested into the North Franklin lot. She asked for confirmation and Mr. Chaney replied he believes the City spent $1.3 million purchasing and developing the lot.

PUBLIC PARTICIPATION ON AGENDA ITEM B

There was no public participation on agenda item B.

B. Recommendation for Negotiated Sale of North Franklin Parking Lot

Mr. Ciambor reviewed the North Franklin parking lot items in the agenda packet and reminded the committee that the proposal before them would be forwarded to the Assembly to enter into a negotiated sale, and that any development to occur on the property will go through the permitting process and Planning Commission. After the August 15th Lands Committee meeting, Mr. Ciambor contacted Eagle Rock Ventures (ERV) representative Scott Shapiro to see if ERV could include parking in their proposal and Mr. Shapiro replied ERV is not interested in providing parking. Mr. Ciambor encouraged the committee to accept staff's recommendation of forwarding ERV's proposal to the full Assembly for staff to enter into a negotiated sale and highlighted how the proposal matches the needs outlined in the Juneau Economic Development Plan and Housing Action Plan.

Mr. Mertl asked what type of parking requirement this new facility would create and Mr. Ciambor replied none of the design components are concrete since this is only a recommendation to put forward an ordinance for a negotiated sale. Mr. Ciambor said he provided Eagle Rock Ventures data on fee in lieu of parking measures.

Mr. Nankervis said the Assembly ended this project previously by requiring parking, and that he supports the sale of this parcel to Eagle Rock Ventures.

Mr. Greene confirmed that the ERV proposal has no parking system devised and Mr. Ciambor replied that the proposal provided by ERV does not incorporate parking and instead the developers want to use the City's fee in lieu of parking system. Mr. Greene asked if staff has a sense of where the people who currently use that parking lot will park in the future, in addition to where the tenants of the new units will park and how the Baranof Hotel will be impacted. Mr. Chaney said the Baranof Hotel has expressed they use the North Franklin lot daily, and that the facility is in a PD-1 parking zone which allows reduced parking so hypothetically if 60 units were constructed, 24 parking spaces would be required by code, which reflects that many residents in a dense urban environment do not own cars. Mr. Ciambor replied the project is fair-market, studio apartments targeting a niche of young professionals, workforce housing, transient residents, and the development is affordable due to its density and reliance on transit corridors.

Ms. Becker said she wasn't sure if she got a direct answer from staff on if staff has been looking and finding places downtown that could be developed for parking that currently are not used for parking, and Mr. Ciambor replied that is a part of a greater conversation.

Mr. Greene asked if the City has worked with the developer to see what would make sense financially to incorporate parking and Mr. Ciambor replied ERV is looking to provide affordable housing and that providing parking would prevent this from happening.

PUBLIC PARTICIPATION ON AGENDA ITEM C (limited 2-3 minutes)

Steve Hamilton, representing the Westmark Baranof Hotel and Goldbelt Hotel, spoke in objection to the disposal of the North Franklin lot. The Baranof would be directly impacted by the proposed development, and any downtown development should comply with requirements like parking. Mr. Hamilton urged the Lands Committee to not move forward with the proposal until a viable parking solution is in place.

Joanie Waller remarked she was surprised the RFP for the North Franklin Lot did not have a parking requirement. Ms. Waller commented she read through the Housing Action Plan looking for a parking component and only found it towards the end of the document. Ms. Waller advocated for a Chief Parking Officer and for making a parking expansion plan.

Mandy Cole, valley resident who works and visits downtown frequently, spoke in favor of housing and parking issues being addressed together and was impressed by Eagle Rock Ventures proposal to the point where she was not dissuaded by the proposal's lack of parking. Ms. Cole said she is fortunate to have a car, and there are many who are not fortunate enough to have a home. Ms. Cole acknowledged she sits on the Affordable Housing Commission but is not representing the commission.

Heather Sincic, representing Franklin Street Barber Shop, discussed what keeps Juneau running in the winter time and how parking influences her business. Ms. Sincic said she is relying on the North Franklin Lot for her clients every day, and she needs a spot to park when she drives from the valley to downtown.

Tracy Ricker, representing Eagle Rock Ventures and herself, said the DBA provided a letter of support for this project. Ms. Ricker said the City needs to revitalize downtown and support what the private sector is doing. Ms. Ricker said the lot does not meet the highest and best use of the area as a parking lot by real estate standards. Mr. Mertl asked how many commercial and housing units the developer is intending and what the parking requirements for the facility will be and Ms. Ricker said the developer is waiting to see what the development costs will be and what will be required by the Planning Commission.

The motion before the committee is to move ERV's proposal to the full Assembly to direct for an ordinance of a negotiated sale. Ms. White objected because the City is losing $770,000 of public dollars by selling this lot to ERV, that this could hurt small businesses, the parking garage is oversold, and that while she sees the need for housing downtown, she does not want to exacerbate the parking downtown.

A vote was called:
Ms. Becker- No
Mr. Nankervis- Yes
Ms. White- No
Chair Troll- Yes

The motion to move Eagle Rock Venture's proposal to the full assembly to direct for an ordinance of a negotiated sale failed 2-2.

C. Disposal of Lot 3, Renninger Subdivision to the Juneau Housing Trust for Less Than Fair Market Value

Mr. Bleidorn reviewed the history of the sale associated with Lot 3 to the Juneau Housing Trust, and reviewed the negotiations as outlined in the August 25, 2016 memo.

Mr. Mertl asked if the City had sold land to the Juneau Housing Trust at below fair market value before and Mr. Bleidorn replied that in 2014, the City did sell a lot in the South Lena Subdivision at less than fair market value in addition to selling the Trust a foreclosed lot for the price of the foreclosure. Mr. Bleidorn said the main difference between the sale price of Lot 3 in Renninger Subdivision and the 2014 South Lena Subdivision lot was that the Lena lot had more expensive development constraints. Mr. Mertl asked what rate did the Juneau Housing Trust receive previously and Mr. Bleidorn replied for the Lena lot it was initially 50%, but because of wastewater constraints, it was approved at 40% of fair market value.

Ms. White moved that the Lands Committee recommend to the Assembly to enable staff to dispose of Lot 3 in the Renninger Subdivision to the Juneau Housing Trust for less than fair market value. Ms. White added that the Trust originally received donated lots so she is glad to see the City give a break on this property since it is helping the next generation of builders. Chair Troll asked Ms. White to confirm that the motion is for 50% of less than fair market value and Ms. White confirmed it so.

The Lands Committee unanimously approved that staff be empowered to dispose of Lot 3 in the Renninger Subdivision to the Juneau Housing Trust for 50% less than fair market value.

PUBLIC PARTICIPATION ON AGENDA ITEM D.

There was no public participation on agenda item D.

VI. STAFF REPORTS

There were no staff reports.

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

Mr. Mertl said on September 6th, PRAC will be taking public testimony on the use of fireworks on CBJ properties.

Ms. Becker said she is going to ask for reconsideration of the North Franklin parking lot and that the item be brought back to the Lands Committee at the next meeting to see if there is more information available at that time. Mr. Chaney asked what specific information Ms. Becker would like, and Ms. Becker replied more information on the future steps to provide parking in the upper part of the downtown core. Chair Troll requested more information on where an additional 23 parking spaces could go in addition to parking for other residents. Mr. Nankervis noted he has math questions for staff in the future, and Chair Troll interpreted that as the value of the North Franklin lot and parking. Ms. McEwen clarified that a motion of reconsideration cannot be contested, and the North Franklin parking lot agenda topic will be brought up at the next meeting.

VIII. ADJOURNMENT

The meeting was adjourned at 5:58 PM.

MEMORANDUM

CITY/BOROUGH OF JUNEAU
Lands and Resources Office
155 S. Seward St., Juneau, Alaska 99801
greg.chaney@juneau.org
Voice (907) 586-0205
Fax (907) 586-5385

TO: The Lands Committee

FROM: Greg Chaney, Lands and Resources Manager

Greg Chaney

SUBJECT: *REVISED:* Evaluation of a Proposal by RH Development for CBJ to Fund Construction of a Private Subdivision in Exchange for Undeveloped Property

DATE: October 6, 2016

A memo was included in the August 15 2016 Lands Committee packet, evaluating a proposal by RH Development for the CBJ to fund construction of a road in exchange for approximately 7 acres of property. Mr. Harris was not able to attend the August 15th meeting after which he sent an E-mail indicating there were inaccuracies in the previous memo (Attachment A), therefore the memo below contains an updated review.

The Lands and Resources Division was instructed to undertake an initial evaluation of a proposal submitted by RH Development in the general vicinity of Sunny Point, on the uphill side of Glacier Highway (Attachments B and C). As proposed, RH Development would provide the City and Borough of Juneau with an undeveloped 7 acre tract of remote property and in exchange, the CBJ would fund construction of a 600 foot extension of Seymour Way to the 7 acre property.

<u>RH Development Proposal</u>
Attached is a *conceptual sketch* of the proposed subdivision provided by RH Development, which has not been evaluated by an engineer to verify feasibility (Attachment D).

In the proposed exchange, the CBJ would receive about 7 acres of undeveloped remote property labeled Lot 16 on the conceptual sketch plat. The CBJ owns LND-0820, which is the 725 acre lot uphill from Lot 16. Although the topography is challenging, Lot 16 could potentially provide access to CBJ property LND-0820 (Attachment E).

In exchange for Lot 16 (a 7 acre tract of undeveloped land), the City would extend Seymour Way 600 feet to Lot 16. The grade of the unbuilt portion of Seymour Way exceeds 10% (shown as a dotted line on the sketch plat). From the base of Lot 16 to the upper portion of the lot, the grade is about 20%. City buses generally do not drive on grades that exceed 8%.

Land in this region becomes steeper the farther it is from Glacier Highway, and CBJ property LND-0820 is extremely steep. Roads could be built that would have lower grades but they could not go directly up slope and would have to be longer; longer roads would add additional expense.

Lands Staff Findings

Precipitous slopes are the reason why this region of LND-0820 was not recommended for residential development in the 2006 CBJ Buildable Lands Study. Additionally, the proposed exchange does not appear to be economically favorable to the City.

For comparison, the University of Alaska property at the end of Wildmeadow Lane is similar to the 7 acres of Lot 16 (steep slopes, no constructed access, south facing) and was recently appraised at $10,000 per acre (Attachment B). To be generous, let's assume that Lot 16 would be superior to the Wildmeadow Lane area and would have a fair market value of $30,000 an acre. That would mean the 7 acre parcel would be worth $210,000.

The proposed extension of Seymour Way would be approximately 600' long. An *optimistic* guess for the road construction costs would be more than five times the value of the 7 acre parcel being offered in exchange. That does not include costs for wetland fill permitting, DOT access requirements, and unexpected costs due to undesirable soils or drainage challenges. These factors combined could significantly increase development costs.

Conclusion

Based on the information available, Lands staff advises it would be inappropriate to invest CBJ funds to further evaluate the proposal submitted by RH Development.

From: RICHARD HARRIS [mailto:RHDevelopment@gci.net]
Sent: Monday, August 29, 2016 11:23 AM
To: Greg Chaney
Cc: Dan Bleidorn; Rachel Friedlander; Borough Assembly
Subject: RE: Land Exchange Proposal

Hi Greg , I know your busy so I will attempt to explain the proposal clearer in this email. It appears that your understanding of the proposal was for the CBJ to construct the section of road that is within our first phase, including Wildview Ct. This is not correct, I explained to Rorie initially I did not wish to slow our current subdivision plans. The proposal is for the CBJ to construct the balance of Seymour Way. R.H. Development is planning on constructing the first section of road, approx 200 feet as shown on construction plans currently being reviewed by CBJ.

The proposed road way to be constructed would give CBJ access to the property that was offered (lot-16). This would increase the value of Lot -16 substantially, it would also allow CBJ to design for best access to Lot-16 and adjoining lands. The sketched roadway and lots-14, 15, 16 locations are not set in stone. The sketch provided was a conceptual idea.

The next step would be to have the street and Lot locations looked at by an engineering firm, designing to the topography for best access to the land, as you suggested. The proposed lot -16 contains the best soils of our 20 acre parcel. This can be seen at the top of the Vista Del Sol Subd. next door to our parcel. Though the parcel has some grade changes this does not render the property unbuildable or inaccessible . With the Multifamily D-18 zoning this property will have many options available.

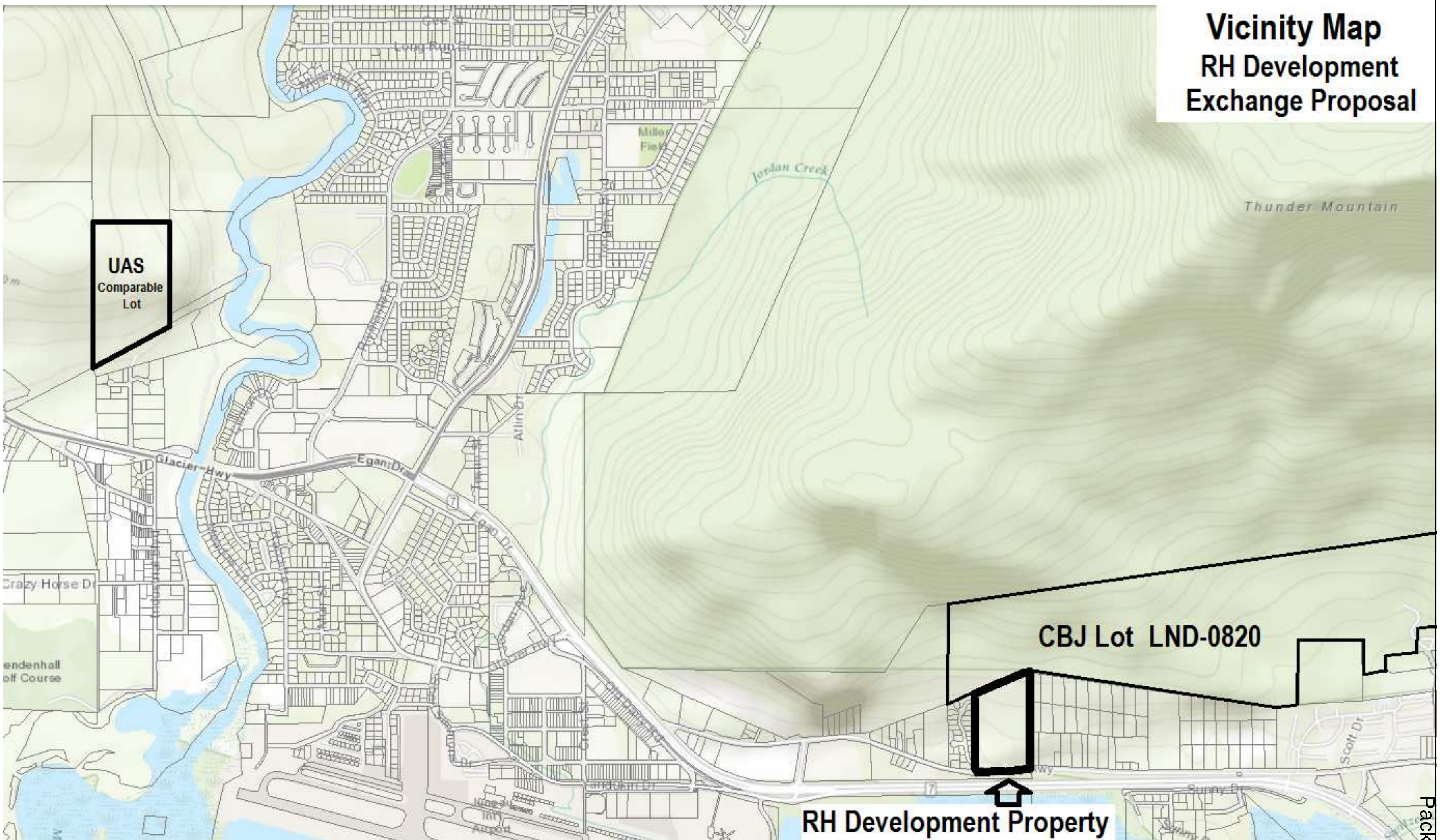
Regarding the Value of the land, the evaluation given by staff is definitely not in line with quality D-18 Multifamily land, this property is in a great neighborhood, it is south facing, with possible view, and good soils. The proposed Lot-16 would have access provided in exchange for the land, thus the reason for giving the land, it should also be said Lot-16 currently has access provided from Vista Del Sol Dr.

Again sorry I was not at the meeting to clarify the proposal. I hope this helps.

Let me know if CBJ lands committee or yourself wish to talk further regarding the proposal.

Richard Harris

ATTACHMENT A



ATTACHMENT B

RH Development LLC
PO Box 32403
Juneau, AK 99803
Phone 907-790-4146
Fax 907-790-4147

Dear Mayor Ken Koelsch, City Manager Rorie Watt, and Members of the CBJ Assembly

As you know; our company has been actively working on a residential housing development in the east Mendenhall valley located at 7400 Glacier Hwy. I have recently read through the Juneau housing action plan and I have also been involved with discussions related to the Peterson Hill Development. Our Company would like to bring forward an exchange proposal to the City and borough of Juneau. Our proposal is quite simple, and we feel would benefit all parties involved. This plan would provide the CBJ with future access to adjoining lands that are currently owned by the CBJ, it would also provide additional acreage to the city for open space park lands or further CBJ development. Our proposal is that in exchange for excavation and street construction within our development, we will deed approximately 7 acres of land to the CBJ (see attached sketch labeled Lot-16). This proposal will allow our company to focus our finances and attention on much needed construction and housing development. The community would gain valuable land, access to existing public lands, and much needed housing.

In comparison to the proposed Peterson Hill project our proposal would be completed much sooner, our land is quality buildable land that already has adequately sized public utilities to our property. The Peterson Hill Project will require 600-700 feet of street construction before accessing the first building lot; our project would access building lots immediately. Our project would require a substantially lower investment of the CBJ, while providing everything that the Peterson Hill development could provide. Our proposal would coincide with the Juneau Housing action plan, the Juneau economic development plan and the comprehensive plan.

We realize this may not be an answer to all the CBJ housing issues; however we feel that for the city this would be a minimal investment for a maximum gain.

I thank you for your consideration,

Richard Harris

ATTACHMENT C

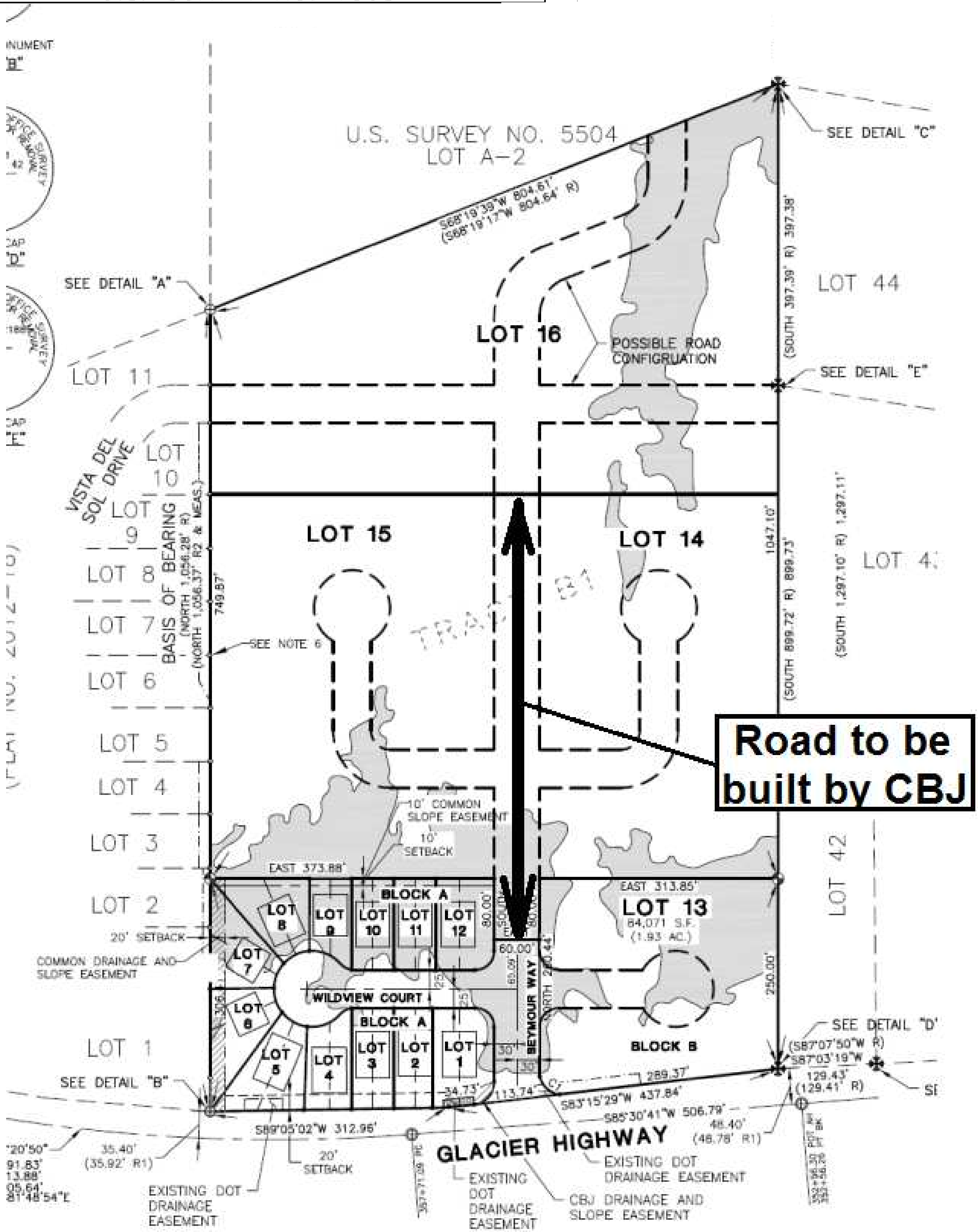
PLAT OF

CONCEPTUAL SKETCH
RIDGEVIEW SUBDIVISION

A SUBDIVISION OF

TRACT B1

U.S. SURVEY NO. 1568



ATTACHMENT D

ATTACHMENT E

MEMORANDUM

CITY/BOROUGH OF JUNEAU
Manager's Office
155 S. Seward St., Juneau, Alaska 99801
Scott.Ciambor@juneau.org
Voice (907) 586-0220
Fax (907) 586-5385

TO: Lands Committee

FROM: Scott Ciambor,
Chief Housing Officer

DATE: October 5, 2016

SUBJECT: Recommendation for Negotiated Sale of North Franklin Parking Lot

At the August 29, 2016 Lands Committee meeting, additional information was requested for the future discussion of reconsideration of the Negotiated Sale of the North Franklin Parking Lot. Information that was requested included:

- Economic benefit of sale of the N. Franklin lot;
- Future parking options in that part of the neighborhood; and
- An idea of how to re-coup parking spaces currently on-site elsewhere downtown.

Economic Benefit
The Assessor's office provided an estimate of value by income approach for a proposed 35 unit apartment project by Eagle Rock Ventures. (The income for the commercial space on ground floor _is not_ included in the estimate.)

Using typical expenses for Juneau apartment projects, the resulting Net Operating Income times 11.066 % (10% CAP rate plus .01066 mill rate) is just over 3 Million taxable value or $32,652 in property taxes at the current mill rate.

Property tax revenue: $3,063,000 X 0.01066 = $32,652
Fair Market Land Sale: $530,000
Fee in-lieu of parking (35 one bedroom units):
$4,250 X 14 (60% reduction PD-1 zone) = $59,500

* See previous 8.29.2016 Memo and Table on how land disposal would meet many other Assembly and Community Goals.

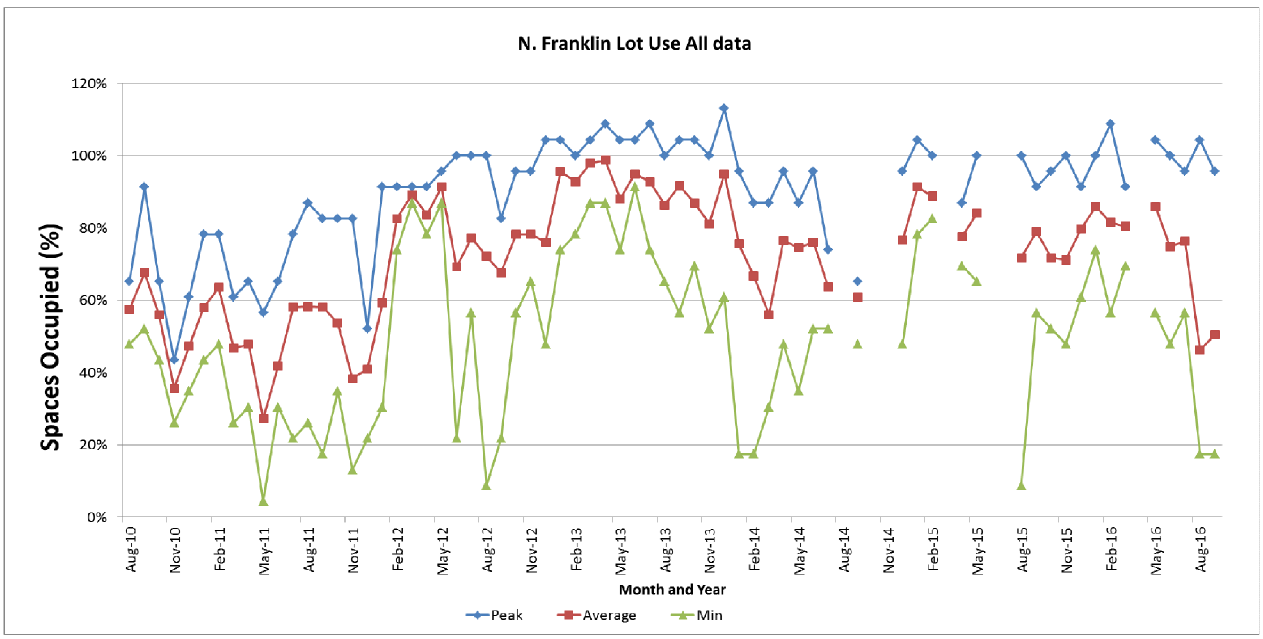
Parking
Reminder:

- **Parking is a burden on housing development**: Parking requirements generally impose an undue burden on housing development, particularly for transit-oriented or affordable housing. The significant cost of developing parking is incorporated at the start of the project which can impede viability and affordability of construction.

- **The CBJ Housing Action Plan** (draft) indicates a need to be more aggressive to make real progress in making more quality, affordable housing opportunities available and to revitalize neighborhoods.
- **See attached City Manager Memo** on transit and parking related activities currently underway for downtown.

N. Franklin Lot Usage
The Community Development Department has been undertaking monthly parking lot counts at the N. Franklin Parking Lot since August 2010.

The following chart shows the monthly minimum, average and maximum percentage occupancy of the 23 'normal' spaces available in the N. Franklin Lot. The 23 spaces does not include the Handicap Accessible space which is not currently charged for – when this space is occupied and all other spaces are occupied it results in more than 100 of parking places shown as occupied. Months with no data are because no counts were undertaken.



It can be seen that since 2012, when hourly parking was allowed on the lot, usage increased with an average observed occupancy nearly always above 60 and a maximum occupancy observed frequently observed.

Additional Parking on North Franklin Lot

Background: The property at North Franklin and Second Street was occupied by the Colonial Apartments (11 units) and TIA Office Building with a total assessed value of $1,032,500. This office contained the Juneau Alliance for Mental Health Inc. (JAMHI) offices. On April 15 2002 the Lands Committee unanimously recommended purchasing the property and converting it to a surface parking facility to the full Assembly. In 2003 the CBJ acquired the property by trading it for a facility located in Lemon Creek assessed at $1,290,000.

In 2004, CBJ contracted with Tetra Tech to look at the property for additional parking. However, due to the relatively small size of the parking garage and that the site was already providing surface parking, the cost per new parking space would have been relatively high ($65,100 - $75,000 per new stall). The Downtown Transit Center was developed instead.

Willoughby District Parking Master Plan
Initial Evaluation of Options
September 2015

The North Franklin lot was considered in a recent assessment of options for future parking in downtown Juneau. The report discusses *Issues and Opportunities* when looking at the site for addressing parking needs.

- Site is well-situated for State Office Building and other state parking needs.
- It serves many downtown venues, but will bring additional traffic into the downtown core to park.
- The site is small and does not lend itself to efficient parking garage design, hence the total number of spaces that can be developed is relatively low.
- Also, since the site is already used for parking, the net gain in parking is low, placing an added burden on the development cost.

Note: One key element of the analysis of the North Franklin location for parking was the need to utilize the adjacent State of Alaska parking garage. The State of Alaska has not indicated a desire to partner, provide access, or sell this property to CBJ.

TABLE 3-1.
SUMMARY OF CBJ WILLOUGHBY DISTRICT PARKING DEVELOPMENT OPTIONS

Option	Location	Existing Spaces	New Parking	Net New Parking	Project Cost[a]/ Net Space
1	Federal Building Lot	241	1,072	831	$50,568
2	Juneau Business Center	120	353	233	$63,270
3	Public Safety/Zach Gordon Center	35	423	388	$42,736
4	SOB North Garage	143	466	323	$64,634
5a	DTC Garage Horizontal Expansion	229	389	160	$44,800
5b	DTC Garage Vertical Expansion	229	412	183	$47,126
6	2nd & Franklin	67	127	60	$101,267
7	Capital Park	0	267	267	$58,688[b]

a. Project cost includes construction, design, construction management, inspection, testing, permits, fees, insurance and other Owner soft costs and contingencies. Land acquisition and entitlements are excluded.

b. Capital Park net cost per space does not include the cost for the new park and plaza level on top of the parking structure. Capital Park cost estimate from 2004 study (Appendix B) escalated to current day at 2.5% per annum.

Given the great expense to develop parking on this location as noted in Table 3-1, private housing developers would likely be unable to absorb these costs as well to provide parking *and* housing.

Letters of support:
- Downtown Business Association
- Juneau Affordable Housing Commission

Recommendation: Staff recommendation is to support the sale of this property to Eagle Rock Ventures LLC for $530,000, the fair market value of this property. Lands Committee should forward its’ Committee recommendation to the full Assembly.

City & Borough of Juneau
Alaska's Capital City

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

TO: Assembly Lands Committee DATE: September 30, 2016

FROM: Rorie Watt, P.E., City Manager

RE: Parking Update

At its last meeting, the Lands Committee requested updates on a variety of parking issues. This memo is an update on efforts by staff to work on parking issues, broken down into categories of activities that could affect parking in downtown. The format follows information from the 8/15 COW.

Managing our Current Parking Better –

- Manager is creating Ad Hoc Parking Advisory Committee, including DBA members. The Committee will:
    - Review on-street striping optimization
    - Participate in the marketing of Capital Transit to DBA members and employees
    - Vet on-street parking management change ideas.
    - Vet requests to change specific signage
- Staff working on streamlined parking management approach
- JAHC/WAC has developed a concept to more efficiently stripe the State employee used parking lot between Centennial Hall/Zach/JACC. The redesign requires changes to pavement, curbs and lighting (cost not yet estimated). This project will be included for consideration in the FY17 CIP.
- Assembly request to look at Douglas Parking District - CDD Held a downtown Douglas neighborhood parking meeting, residents requested consideration of a "Parking Waiver" process that could be applicable in other parts of CBJ. CDD is routing issue through Planning Commission.

Reducing the Demand on Parking Spaces –

- Capital Transit Enhanced Commuter Service began 10/1/16, new Consolidate Route Maps available in October
- JEDC is coordinating a visit from Zipcar in October/November, other community members are researching a Shared Car Association. One of these ideas may result in a reduction in parking demand.
- Private sector electric circulator proposal is on track for spring of 2017. The business model appears to be modifiable into year round use, next summer will serve as a proof of concept.
- Auke Bay pilot park and ride – assigned to a project manager.
- Advisory note – SOA is moving/consolidating offices downtown, may place pressure on parking, they are also working on parking demand reduction.

Acquire More Land –

- Staff have had preliminary Discussions with AMHT about obtaining appraised value of sub port lands.
- A Draft Waterfront Land Acquisition List will identify possible parcels for CBJ acquisition. Draft available at Finance Committee in November/December, for inclusion in the FY17 CIP.

More Parking Structures

- Staff is meeting with GSA about initiating the Federal process to consider funding a parking facility that meets all of its facility needs.
- Fielded many questions about the concept parking garage that was considered circa 2004 on the 2nd/North Franklin lot. This garage would be the highest expense per space (of all the garage options studied). The concept required cooperation and coordination with the State and because of shared access issues, the concept would result in some loss of parking in the adjacent State structure. This concept was discussed for several years circa 2005 and was not considered a viable project. Manager Swope subsequently formed an ad hoc group to work on the desire to add parking which resulted in the selection of the DTC site and the voter approved funding for that project.

DOWNTOWN BUSINESS ASSOCIATION

612 West Willoughby Avenue - Juneau, Alaska 99801

August 25, 2016

City and Borough of Juneau Lands Committee
City and Borough of Juneau
280 South Franklin St. #4
Juneau, AK 99801

Dear Committee Members:

The Downtown Business Association (DBA) would like to encourage you to move forward with your plans to sell the lot at 2nd and Franklin Street to create much needed housing for Downtown. This particular piece of property is slated for development in the land management plan with the goal of using the property for its highest and best use as stated in the 2014 appraisal; i.e. mixed use, with retail on the ground floor and residences above.

Both the Juneau Economic Development Plan and the Housing Action Plan call for more housing in the Downtown core. This is vital not just for Downtown but also for all of Juneau. Our community cannot meet the proposed goals for additional housing without building in high density zones such as Downtown. Without added housing our economy will continue to stagnate.

We do regret the loss of parking however we do not see a way forward for Downtown revitalization without forfeiting low revenue producing surface lots with more economically productive uses. Although this approach is counterintuitive creating housing in a downtown is often a catalyst for development of businesses that support a pedestrian population, thereby lowering the parking demand. Furthermore, we believe that Downtown's parking issues can be addressed by the proposal of the Engineering and Public Works Director, Roger Healy, to use a multi prong approach that combines improved parking management, use of public transportation to lower demand and creation of more parking in the Willoughby District.

We understand that workforce housing is part of the proposals. This profile for residences fills a void in our housing market, and will attract the millennial generation who are interested in the type of lifestyle downtown Juneau offers and often do not own cars.

We applaud the City and Borough of Juneau for taking the steps to transform this lot. This will be an important project for Juneau.

Sincerely,

DBA Board

Jill Ramiel, President • Eric Forst, Vice President • Collen Goldrich, Treasurer • Nathanial Dye • Sydney Mitchell • Dana Gunderson • Midgi Moore • Mark Ridgeway • Evelyn Rousso

Juneau Affordable Housing Commission

2016 Commissioners
Margaret O'Neal, Chair
Wayne Coogan, Vice Chair
Norton Gregory
Mandy O'Neal Cole
Russ McDougal
Tamara Rowcroft
Dave Hanna
Honey Bee Anderson
Kathleen Strausbaugh

September 15, 2016

Mayor Ken Koelsch and Assembly
City and Borough of Juneau
155 S. Seward St,
Juneau, AK 99801

Re: Sale of N. Franklin Lot to Eagle Rock Ventures

Dear Mayor Koelsch and Assembly;

The Affordable Housing Commission has been tasked by the Assembly to understand the causes and conditions of Juneau's housing crisis. We have worked with local developers, non-profit leaders, concerned community members, paid consultants and other interested stakeholders in order to understand how affordable housing is brought to market, and how we can help guide the CBJ toward policies that promote housing growth. In the course of this work, we have come to understand that affordable housing (housing that costs ~30% of the income of an average-income person or family) is nearly impossible to develop without intervention. In the past, that intervention has been federal monies or tax credits used by developers to underwrite the cost of construction, or low-cost (less than market rate) or no-cost land donation to a project, and/or subsidy and grants from Alaska Housing Finance Corporation. The reality is, we have seen no viable projects come to market that are at an affordable price point without some kind of financial subsidy. Our greatest challenge as a community is how to improve housing affordability at a time when many of these subsidy resources are no longer available. Lack of affordable housing constrains Juneau residents' future prosperity and our community's growth.

The proposal for the negotiated sale of the N. Franklin parking lot to Eagle Rock Ventures represents a creative solution to this challenge. The developers in this project are proposing to build small, identical units to save on design and building costs. They propose to build several floors of studio units to capitalize on the economy of scale. They propose a mixed-use facility with commercial space to maximize revenue while maintain low per-unit rental costs. They intend to use the CBJ's Fee-in-Lieu of Parking option to avoid building a costly parking lot that would drive up rental costs. All of these factors combine to make a smart, forward-thinking project that:

- Conforms to our comprehensive plan
- Adds much needed residential space downtown
- Increases future revenue for CBJ (property tax)

- Provides an affordable, attractive workforce rental option, increasing the likelihood that people who come to work in Juneau will stay to live in our community
- Contributes to the revitalization of downtown (this project is supported by the Downtown Business Association)

The Affordable Housing Commission encourages the Assembly to consider the many benefits that this kind of housing project brings to our community. Moreover, we hope you will view this project as representative of the direction we need to move toward to fulfill our responsibility to the working individuals and families that help make Juneau a safe, beautiful and engaged community.

While the Affordable Housing Commission is aware of some concerns about the loss of parking spaces from this sale, we strongly feel that issue should be dealt with separately from this transaction. One of the overriding themes of the Juneau Housing Action Plan is that Juneau must solve its longstanding housing affordability problem with its own resources. Some sacrifices and trade-offs will have to be made. Transient parking needs should not be pitted against the extreme need for and benefits that will accrue from additional workforce housing downtown.

The Affordable Housing Commission has unanimously voted to support the sale of the N. Franklin lot to Eagle Rock Ventures, and urges the Assembly to do the same without further delay.

Kindly,

Margaret O'Neal

Margaret O'Neal, Chair
Juneau Affordable Housing Commission

October 6, 2016 Please include this letter in the meeting records for the Lands Committee discussion involving the Negotiated Sale of the parking lot on the corner of Franklin and Second Streets.

Dear members of the Borough Assembly:

We are a newly formed neighborhood association, the Uptown Neighborhood Association, north and east of Franklin/Second St and Gastineau Ave. The area borders the Downtown Historic District and, although it is immediately adjacent to, it is different from the downtown core. We have formed this association to enable dialogue with City decision-makers regarding any issues that affect our neighborhood. Most of the members were unaware of the City's solicitation to developers for the Negotiated Sale of the Franklin/Second St parking lot. Although the never-ending discussion between housing and parking priorities exists within our group as well as the CBJ community, we are unanimous in the need for more public process on determining, or changing, the use of this parking lot. The Negotiated Sale solicitation's only requirement was for dense housing, and included no mandate for parking management, design concept, or height restrictions. We ask that these important criteria be required before accepting the current offer or offering for sale.

We feel it is our responsibility to current and future residents that anything so large in scope and size as this project must involve the public and local residents' input and not only downtown business pressure or housing statistics. Decisions should pass community-accepted standards in order to fit into this historic downtown neighborhood that we are trying to improve. In the CBJ Comprehensive Plan Land Use Section 10 regarding neighborhood involvement, there are multiple references to be considered, i.e. compatibility of scale, exacerbating parking and traffic congestion, the assurance that high quality neighborhoods and quality services are maintained and established, and providing for neighborhood harmony.

The facelift revitalization projects being launched area wide, ie. Front & Franklin (F&F), Willoughby District, the Seawalk, Auke Bay, etc., have all had coordinated public input with city designers. The downtown core project, F&F, has brought to light to us that this project's northern boundary ends at Second Street, and we feel it is time to delineate our area, north of Second St, to be in line for renovation and design consideration for our mixed-used area. You can plug our neighborhood name into any of the documents describing the projects above and see that our area contains elements of each: great historic value, tourism value, exquisite natural viewscape, water views, and, with some renovation, can have charming curb appeal. It is a thoroughfare for foot traffic as indicated on the maps guiding visitors to uphill attractions. Renovation and character preservation would help this historic neighborhood be a destination in itself. As quoted from CBJ neighborhood description, of the Juneau Townsite, inside which the Uptown Neighborhood is located, "…[it] comprises a unique historic area featuring many fine examples of early period architecture reflective of the geographic and economic influences of the early development of Juneau." Furthermore, quoting from page 34 of the Housing Action Plan draft, "…rehabilitating these historic properties and creating a vibrant downtown have the potential to draw and keep households in Juneau more broadly." The problem and the challenge is the age of most of these homes, hence blighted buildings and absentee landlords. Please help us by turning a community developmental spotlight on the unique needs of this area. We realize the problem of seasonal workforce housing needs, but the local residents' contributions to the city must be acknowledged and addressed as well.

BEFORE CONSIDERING THE SALE OF THE PARKING LOT:

HOUSING ACTION PLAN:

- While the Housing Action Plan is being formulated develop parking plan ALONG WITH housing.
- Bring the following actions to the forefront, (Page 67, Appendix 2 of the Housing Action Plan):
    - Develop a neighborhood plan
    - inventory vacant/abandoned housing
    - develop blighted ordinance
    - development incentives to upgrade existing buildings

  These four actions could be part of the projected housing-increase solution in our neighborhood as opposed to a high density building on the current parking lot.

CONGESTION AND SERVICES:

- Improve needed services for the existing residents before adding multi-unit buildings that bring more people to the area than the infrastructure can support; i.e. adequate parking, JPD support for current crime, social services for needs that aren't being met in our neighborhood, etc.
- If creative people-moving solutions are planned, implement them first BEFORE taking away valuable parking that will send more cars into the uphill residential streets.

FRONT & FRANKLIN ST PROJECT:

- The F&F's public working group's number one priority was to retain parking in the area. We have that concern as well. DO NOT TAKE AWAY EXISTING PARKING NOR BUILD HOUSING WITHOUT ASSOCIATED PARKING ON THIS LOT.
- Suggestion: Update the F&F plan to Gastineau Apt building's post-demolition time and pursue replacing the pre-existing high-density pedestrian housing in that location to satisfy projected downtown housing needs. Let this brand new building be the ideal structure, containing upper-floor housing and a ground floor retail lobby, to highlight the Capitol City's central downtown plaza along with all the other F&F improvements.

Thank you for your time and thoughtful consideration.

Signed,

Members of the Uptown Neighborhood Association

Monica Ritter, 586-4889, contact

Joanie Waller, 209-9485, contact

Joanie Waller

I live and work in the big gold house next door to the lot.

I would like to have a say in what goes on next door to me.

I don't feel like you've heard anything we local business owners and residents have said.

You have in your head that we need housing and we need to fill that space with housing.

We have implored you to keep the parking, now there isn't even an RFP to mandate a parking managing strategy.

Nor is there an RFP that mandates a design concept be submitted.

We have a negotiated land sale applicant who says they will build something after they buy it and have no intention of including parking.

I hope you don't go through with that.

I hope you will be able to go for yourselves and look at that space in 3D instead of just a disposal lot on a map. And see for yourselves what the tourists see when they come out of the Franklin corridor of tall buildings into the opening view of Mr. Juneau. There are so many photos taken of that sight!

I think the bigger picture of renovating the dilapidated old houses, maybe offering out-of-town investment companies to offer to purchase to renovate. The owners would probably sell.

There is movement happening in uptown downtown – n franklin – what the new distillery, brewery and pot shops.

Joanie Waller
315 Third St
Juneau 99801

To: Assembly Lands Committee: Chair, Kate Troll, Members Jerry Nankervis, Mary Becker, and Debbie White.
Re: Negotiated sale of Franklin and Second Street property.

As a business owner and operator, concerned citizen, downtown land owner, and resident of the discussion area I would like you to respond to some of my concerns regarding the development of anything above two stories. As part of your decision making process I ask the following aspects be determined:

1. That any application without parking management as a core concept and solution not be accepted.
2. That the public be involved in design considerations, i.e. with an RFP instead of Negotiated Sale.
3. That other downtown locations, such as Gastineau Apartments lot and the TraMar's lot across from Mendenhall Apartment, which have traditionally accommodated multilevel housing, be considered. If not, please explain the criteria used to eliminate them and bring focus on the negotiated sale lot that is currently used for much-needed parking.
4. In the pursuit of downtown housing, that the CBJ consider spurring the redevelopment potential of vacant/derelict homes and dilapidated homes rented by non-local landlords, and pursue a mechanism for condemning derelict buildings to revitalize and upgrade the historic neighborhood.
5. That this current approach to the 'negotiated sale' accommodate the CBJ Comprehensive Plan provision for public parks and open space.
6. That light, air, and privacy is assured to adjacent residential occupants (Land Use Ch10.4(a).
7. That CBJ assure me that my business income, ergo taxes paid to CBJ, will not suffer any loss during the process of excavating, ground prep and building.

,

PARKING IN DOWNTOWN JUNEAU: On multiple occasions, uptown residents and business owners have asked the Lands Committee and Assembly to engage in public involvement to understand what the impacts of a change of use from parking on this lot to some other use would be. In 2014, Steve Hamilton, of the Baranof Hotel, and I, along with support from numerous downtown businesses, formally requested that the same number of parking spaces be retained in the developmental planning for the lot. In the 2014 RFP, the proposal evaluation criteria included parking management strategies. Now, in 2016, the administration of the 'negotiated land sale' was turned over to the CBJ Chief Housing Officer. This title implies a housing focus and subsequently no mention was made to include parking strategies on the application form. Furthermore, the preferred applicant, Eagle Rock Ventures LLC, stated that they have no intention of including parking in their plan; that including parking would make the affordable housing units less affordable.
It is clear that public involvement in determining the value of the lot in its current use has not been taken into account, and that housing needs are taking precedence over the nearly equal parking shortfalls. Did the CBJ on-line parking survey include downtown business employees and ask them

where they park for an 8-hour shift since both parking garages are predominantly permit parking (and perpetually sold out), that the state and legislative parking lots are off limits year-round, and street parking is limited to 2 hours? Many valley residents voice they don't come downtown due to the parking limitations. Eliminating these spaces will decrease the available daily paid parking by one-third. Eliminating these spaces and then building additional housing units without additional parking will only add to the problem. Proposed parking solutions, a downtown circulator or carpooling, for example, have not been implemented and parking is not being addressed. The Downtown Parking Management Plan that is posted on the Community Development Department's website is dated 2010, prior to the failed parking meter plan. Perhaps a Chief Parking Officer position is needed to coordinate with the housing push.

NO EVALUATION CRITERIA: In soliciting for "Negotiated Land Sale" rather than "Request for Proposals", the public has nothing to go by in evaluating the potential buyer/developer's vision. The application form gave no evaluation criteria for a defined proposal or conceptual design by which the public can determine what is meant by "Highest and Best Use". Please let the public be involved with the design considerations.

RETAIN AND REVITALIZE HISTORIC NEIGHBORHOOD: In 2015 former Senior CBJ planner, Ben Lyman, submitted an analysis of the lot sale as it was determined by the Appraiser (2014 appraisal) to be the highest and best use. Following is an excerpt of that analysis. All points are important with #3 being exceptionally important to your decision making:

"The neighborhood of the subject property is located within subarea 6 in the Comprehensive Plan, where guidelines and Considerations include:

1. Preserve the scale and densities of the older single family neighborhoods in the downtown area…"
2. Encourage the retention of existing dwelling units in or near the older residential neighborhoods to avoid exacerbating traffic and parking congestion and to preserve the privacy and quiet of those neighborhoods
3. Preserve view corridors of the compact, historic downtown, as viewed from the channel toward the historic districts and their mountain backdrop, and preserve views of the Channel, as viewed from public streets… through height restrictions and building orientation and spacing guidelines…"
4. Promote mixed uses downtown. Encourage small-scale neighborhood-serving retail and personal service businesses…."

UNIQUE LOCATION – VALUABLE VISTA: The lot currently provides not only parking but an opening in the dense continuous corridor of tall buildings along the length of Franklin St. and an invaluable view of Juneau's largest tourist attraction – the backdrop of Mt Juneau. On a daily basis, particularly during the summer cruise ship season, I witness many people stopped there oohing and ahhing the naturally grand view and capturing that with their cameras.

Consideration of yet another view-blocking building compared to exploring the value of perhaps building a double level parking garage (as designed in 2004) with a public grassy park on top, keeping the open space and highlighting the picturesque view, would be advised. This asset is especially important to consider now as more businesses, i.e. the distillery, brewery, and pot shops, are opening in the North Franklin area.

Please take some time to look at this neighborhood and listen to its residents' and business owners' concerns. Instead of just seeing the lot as an opportunity for city land disposal and an easy way to fill a housing need, let this be an opportunity to put a spotlight on this 2-block neighborhood and incorporate it into your grand plan to beautify Juneau and make it an attractive place for tourism. Our visitors do walk up here and are hungry for authenticity. Note that those of us who do live here and invest in upgrading, and pay our sales, bed, and property taxes, would like to feel safe and supported by our city decision makers.

Please include this letter in the meeting records for the Lands Committee discussion involving the Negotiated Sale of the parking lot on the corner of Franklin and Second Streets.

Thank you for your time and thoughtful consideration.

Joanie Waller
Uptown DIG member
Downtown Business Association member
Juneau Convention and Visitor's Bureau member
Owner/Operator Northern Oasis Wellness (NOW) Spa, 315 Third St.
The Stone's Throw Cottage, 321 Third St.
Juneau 99801