

**ASSEMBLY STANDING COMMITTEE
LANDS AND RESOURCES COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA**
August 15, 2016, 5:00 PM.
Municipal Building Assembly Chambers

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

A. July 25, 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. Evaluation of a Proposal by RH Development for CBJ to Fund Construction of a Private Subdivision in Exchange for Undeveloped Property

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**

July 25, 2016 5:00 PM
Municipal Building Assembly Chambers

I. ROLL CALL

Kate Troll, Chair, called the meeting to order at 5:02 pm.

Members Present: Chair Kate Troll; Assembly members: Jerry Nankervis (telephonic participation), Debbie White, Mary Becker

Liaisons Present: Chris Mertl, PRAC

Liaisons Absent: Bob Janes, Docks & Harbors; Carl Greene, Planning Commission

Staff Present: Greg Chaney, Lands and Resources Manager; Dan Bleidorn, Deputy Lands Manager; Rachel Friedlander, Lands and Resources Specialist; Scott Ciambor, Chief Housing Officer

II. APPROVAL OF AGENDA

The agenda was approved.

III. APPROVAL OF MINUTES

A. June 27, 2016 Minutes

The June 27, 2016 minutes were approved as amended.

IV. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

There was no public participation on non-agenda items.

V. AGENDA TOPICS

A. Implementation Strategy for the 2016 Land Management Plan

Mr. Chaney addressed the committee by reviewing each of the 12 subsections to the Implementation Strategy for the 2016 Land Management Plan. Below are questions raised by the Lands Committee, organized by individual subsection.

Renninger Subdivision

Chair Troll asked for clarification regarding the short term timeline of the Implementation Strategy, referencing the negotiated sales to AHDC and the Juneau Homebuild Partnership. Mr. Chaney said it is anticipated the negotiated sales will go before the Assembly "in months," which is within the next year ("short term"). Chair Troll asked that an update on Pacific Development Group's interest in the City's Renninger properties be scheduled for a future Lands Committee discussion.

South Lena Subdivision

Ms. White asked for clarification regarding the location for Block E of the South Lena Subdivision on the map provided in the Implementation Strategy.

Switzer Area 3

Mr. Mertl asked what the area is zoned as and Mr. Chaney replied D-5, residential subdivision density.

Ms. Becker asked for clarification on the timeframe for Switzer Area 3 and Mr. Chaney replied the next two years will help assess how much this development will cost. Ms. Becker said the Implementation Strategy's timeline is based on two years from now and not when the project is started, and Mr. Chaney replied the timeframe is two years from when the Land Management Plan was adopted.

Chair Troll asked if this area lies in the Lemon Creek planning area and Mr. Chaney confirmed it so. Chair Troll asked if this will be incorporated into the neighborhood plan and discussions and Mr. Chaney confirmed it so.

Pederson Hill Subdivision

Mr. Mertl said the Implementation Strategy looks like a lot of work.

Chair Troll asked if discussions with the Affordable Housing Commission and Developers are ongoing right now and if that is the reason why Pederson Hill has not gone to the Planning Commission. Mr. Chaney replied yes the discussions are ongoing, but that those discussions are not delaying Pederson Hill. Mr. Chaney would like to see a collaborative relationship with builders regarding Pederson Hill.

LND-1420

Ms. White asked which part is easily developed and Mr. Chaney said it is not necessarily "easy", but when considering other properties it is. Ms. White pointed out the property has sheer drop-offs. Mr. Chaney said there will be a feasibility study conducted and that when staff examined the way the property was laid out, it looked doable. Mr. Chaney also said there could be cluster development.

Mr. Mertl said he believes there is trail access to Treadwell Ditch. Mr. Chaney replied the City would not wipe out an existing trail, and when he said "no strings attached" it was in reference to no reversionary clauses so that developers have freedom when building. Mr. Mertl asked if there is a trail toward the back of the lot and Mr. Chaney confirmed it so.

Second St. and Franklin St.

Chair Troll asked if there was a motion for a negotiated sale of the property and said she is hoping staff is not waiting on the Assembly to move forward with the North Franklin Lot. Mr. Chaney replied staff is not waiting.

Mr. Nankervis said Second Street was not supposed to go out to interested parties but direction was provided at the last Lands Committee meeting to begin the sale to the original proposer and asked what happened. Mr. Chaney had not attended the meeting when the motion was approved so Mr. Ciambor replied that at the last Lands Committee meeting, staff was tasked with putting Second and Franklin out for housing purposes. Mr. Ciambor said currently there is a letter of interest and application available for developers who will meet the highest and best need of the property, which will be determined August 1st.

6th St. Douglas

Ms. Becker said there are a few homes that are close to 5th Street. There is one residence where land set aside looks like a road from that home. Ms. Becker asked if that road is the start of 6th Street and Mr. Chaney said he was not sure what Ms. Becker was referring to. Mr. Chaney said there is a snowmobile trail. Ms. Becker said the area did not look right and wanted to know if the City was involved and Mr. Chaney said he is not familiar with the City's involvement and that there will be an examination of existing development near the property prior to selling property in the area.

Chair Troll said some of the smaller lots on 6th Street may be attractive to young people and create another version of Starr Hill. Mr. Chaney said the advantage of this over Starr Hill is that the area is not at the base of a hazard zone and that the feasibility study will examine this.

LND-0315

Mr. Nankervis asked where would the Auke Bay Bypass be in relation to this property and Mr. Chaney replied it would be up the hill and that this property would not be that impacted.

Ms. White said the Auke Bay Fire Department volunteers were looking to purchase some of the mobile home property and asked the City to cooperate with the Fire Department.

Ms. Becker asked if the City would hire consultants for each feasibility study and Mr. Chaney replied for this project, yes.

Norway Point:

Ms. White asked if the area is close to a condo complex and Mr. Chaney replied there is development along the road so finding a way up is not going to be easy. Mr. Chaney also said this development may not be feasible but the City will conduct a feasibility study to find out.

LND 1430:

Mr. Mertl asked for a reference point to determine where this property is located and Mr. Chaney replied it is approximately from the bridge to the Bonnie Brae Subdivision.

Final Comments:

Mr. Mertl asked if Gastineau Apartments is beyond the Lands and Resources Division and Chair Troll asked if Gastineau Apartments should become a part of the venue of properties owned by the City.

Chair Troll discussed an alternative City Hall.

PUBLIC PARTICIPATION ON AGENDA ITEM A

There was no public participation on agenda item A.

VI. STAFF REPORTS

There were no staff reports.

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

There were no committee member reports.

VIII. ADJOURNMENT

The meeting was adjourned at 5:56 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



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

DATE: August 9, 2016

The Lands and Resources Division was instructed to make an initial evaluation of a proposal submitted by RH Development in the in the general vicinity of Sunny Point, on the uphill side of Glacier Highway (Attachments A and B). As proposed, RH Development would provide the City and Borough of Juneau with an undeveloped tract of remote property and in exchange, the CBJ would fund construction improvements for the private subdivision.

RH Development Proposal

Attached is a *conceptual sketch* of the proposed subdivision provided by RH Development, which has not been evaluated by an engineer to verify it is feasible (Attachment C). In this 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. If topography was not a factor, Lot 16 could potentially provide access to CBJ lot LND-0820 (Attachment D).

In exchange for the tract of undeveloped land, the City would provide all subdivision improvements to RH Development's property. The sketched plat appears to generally comply with D15 dimensional standards however topography has not be taken into account. The grade of the unbuilt road (shown on the dotted sketch plat) that would provide access from Glacier Highway to Lot 16 exceeds 10% and Lot 16 itself has a grade of about 20%. The property also becomes steeper the farther it is from Glacier Highway, which includes CBJ property LND-0820. It is important to note that City buses generally do not drive on grades that exceed 8%.

Lands Staff Findings

Precipitous slopes are the reason why this area was not recommended for residential development in the 2006 CBJ Buildable Lands Study. Additionally, the proposed exchange is not 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 A). To be generous,

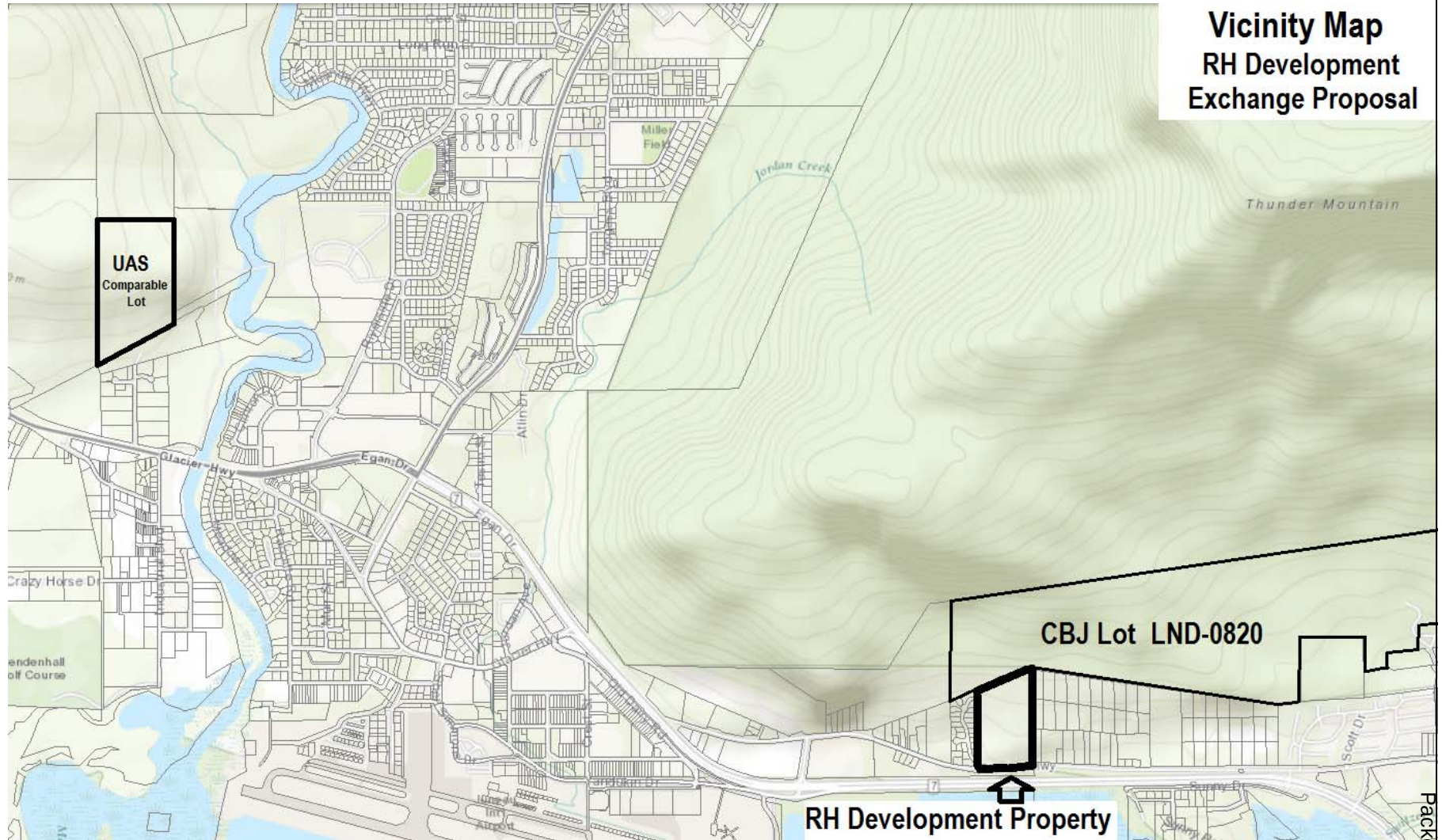
let's assume that Lot 16 would be superior to the Wildmeadow Lane area and would have a fair market value of \$30,000 an acre. That would mean the 7 acre parcel would be worth \$210,000.

The proposed road "Wildview Court" for the first phase of the RH Development subdivision improvements is approximately 430' long. An *optimistic* guess for the road construction costs would be costs more than five times the value of the 7 acre parcel being offered in exchange. That does not include the costs for wetland fill permitting, DOT access requirements, and unexpected costs due to undesirable soils or drainage challenges. These factors combined could potentially double development costs. The "Wildview Court" road would *not* provide access to sketch Lot 16. An additional 600' road would have to be constructed to reach Lot 16.

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.

Vicinity Map
RH Development
Exchange Proposal



ATTACHMENT A

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.

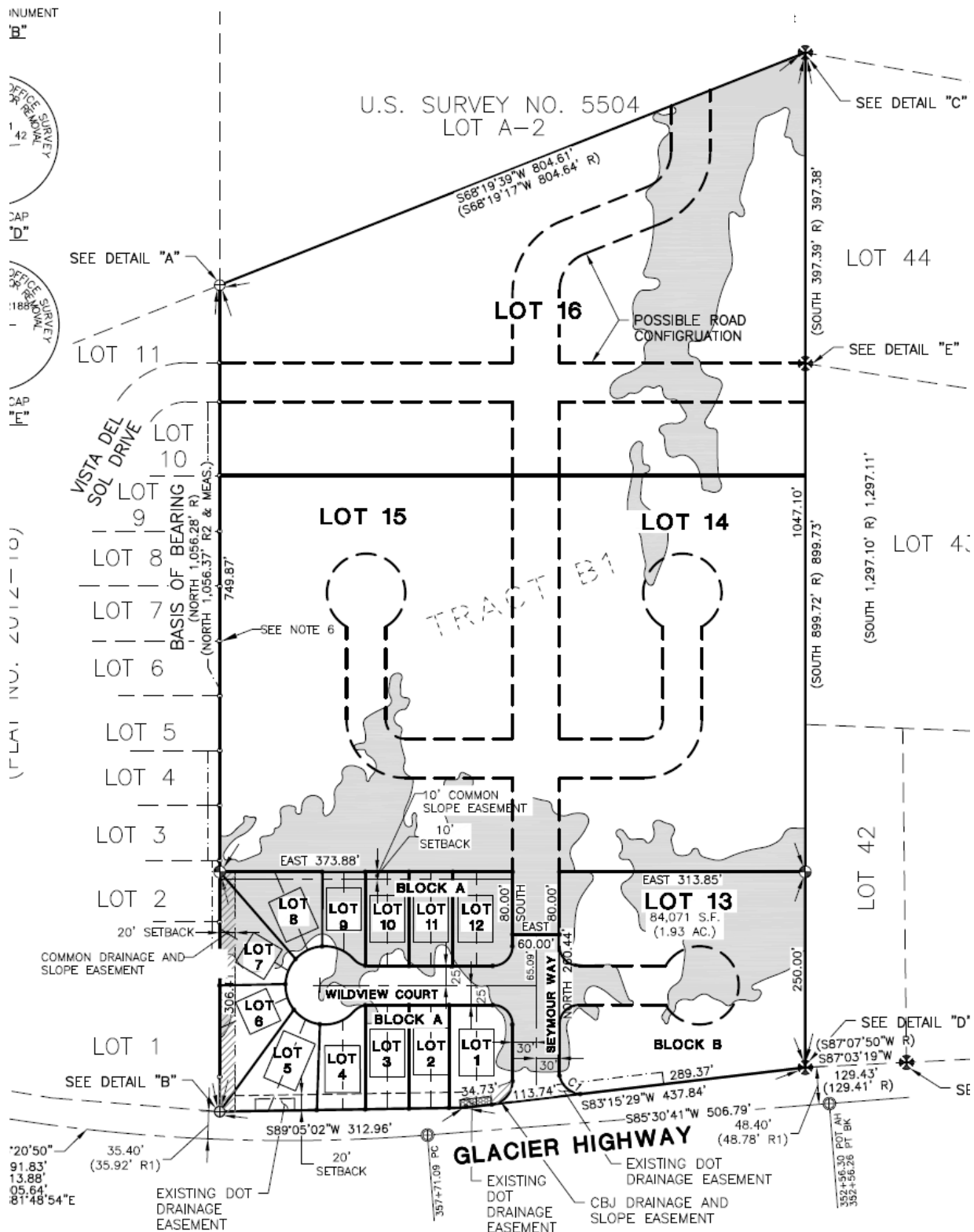
In comparison to the proposed Peterson Hill project our proposal would be completed much sooner, our land is quality buildable land that already has adequately sized public utilities to our property. The Peterson Hill Project will require 600-700 feet of street construction before accessing the first 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.

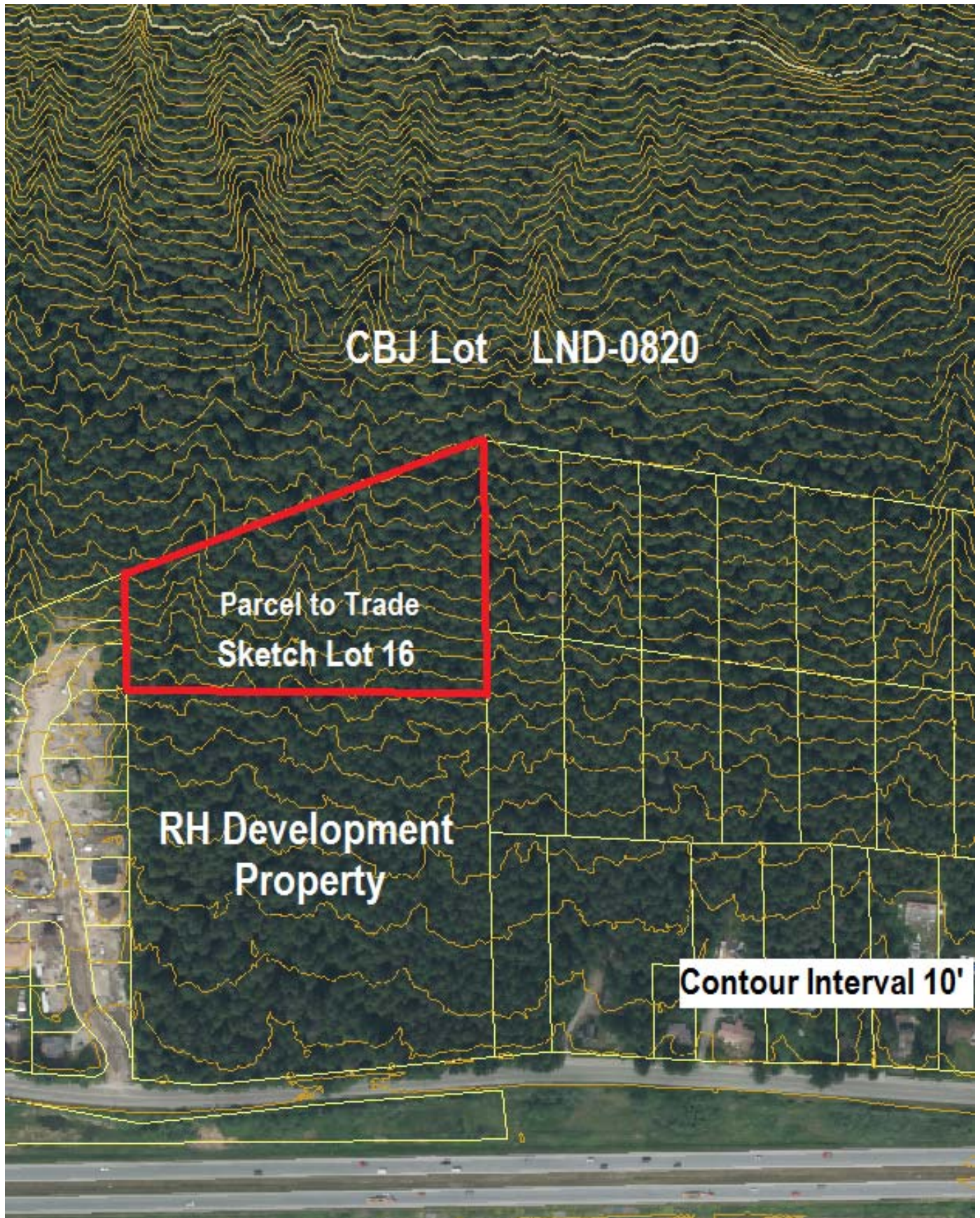
I thank you for your consideration,

Richard Harris

ATTACHMENT B



ATTACHMENT C



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: Rorie Watt, City Manager
Lands Committee

FROM: Scott Ciambor,
Chief Housing Officer



DATE: August 5, 2016

SUBJECT: Recommendation for Negotiated Sale of North Franklin Parking Lot

In July 2016, the City and Borough of Juneau (CBJ) requested letters of interest and applications for a negotiated sale of the North Franklin Parking Lot located at the corner of Franklin and Second Street (across from the Baranof Hotel). In the CBJ Lands Management Plan, the parcel (Lands ID: 1007) is targeted for disposal. A 2014 real estate appraisal values the property at \$530,000 and noted that the *Highest and Best Use of the Site* was Mixed Use (MU) with commercial space on the 1st floor and four floors of residential above.

The CBJ requested letters of interest and completed applications from entities with the experience and capacity to develop a project that meets *Highest and Best Use of the Site*. Sale of the property will be for the appraised value of \$530,000.

Two applications were received by the August 1, 2016 deadline.

- Eagle Rock Ventures LLC ("ERV")
- Verde Infrastructure Partners, Steve Soenksen

Recommendation:

I recommend that the Land's Committee forward a motion of support to the Assembly for the sale of this property to Eagle Rock Ventures LLC for \$530,000, the fair market value of the property.

Eagle Rock Ventures, LLC has significant experience developing multifamily and mixed use projects, primarily in the Seattle area. ERV's application noted the intention to develop the N. Franklin property as indicated in the 2014 real estate appraisal – which would be similar to projects already in their portfolio.

ERV focuses on fair market affordable and workforce housing and has been recognized for Excellence in Affordable and Workforce Housing by the Urban Land Institute. ERV understands the lack of supply of workforce housing and strong demand in Juneau, has

Page 2

the financial track record to complete a project of this scale, and noted a desire to work with good people.