

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

August 15, 2016 5:00 PM
Municipal Building Assembly Chambers

I. ROLL CALL

Kate Troll, Chair, called the meeting to order at 5:06 pm.

Members Present: Chair Kate Troll; Assembly members: Debbie White, Mary Becker

Members Absent: Jerry Nankervis

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

Staff Present: Greg Chaney, Lands and Resources 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. July 25, 2016 Minutes

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

Mr. Chaney addressed the Lands Committee with a PowerPoint presentation on RH Development's proposal.

Ms. White asked the approximate grade of Cordova Street and Mr. Chaney replied it's probably in the 10 % range, although he does not know exactly but it's more than 8%. Mr. Chaney said it's steeper than appropriate. Ms. White asked how much Lands was estimating it would cost to build the road highlighted in green and Mr. Chaney replied that Jackie Street cost \$750,000, it's shorter than the road RH Development is proposing, is not as steep, and is arguably easier to build. Mr. Chaney replied this road would cost 25% more because it is longer but there are other factors like slopes, drainage, and wetlands as well. Ms. White asked Mr. Chaney if he was stating that the cost to build the road to the 12 houses was going to be more than \$750,000 and

Mr. Chaney replied that was a guess and if there was an engineering study, it might be less. Ms. White replied it would be \$62,500 per lot just to put in the road to the City's current standards and she said she's confused that this is the fourth or fifth different drawing she's seen of Mr. Harris's lot in trying to get it developed, that everything is always conceptual and not approved, and that it seems a bit overwhelming as to how much one puts into it before one gives up and builds somewhere else. Mr. Chaney replied he was showing what the City's costs were to build a similar project but that this road would probably be more challenging because it's steeper and has more wetlands than the Jackie Street project.

Ms. Becker: Is this the first time that this particular proposal has come before us?

Mr. Chaney: I believe so.

Ms. Becker: Because this land has come before us before, hasn't it?

Mr. Chaney: I believe Mr. Harris has been working on getting approval for a project here for some time.

Note: Previous proposals by RH Development for a subdivision in the area had been submitted to the Subdivision Review Committee and Planning Commission. Then the property owner sent an E-mail to the Assembly, however this case was not previously heard by the Lands Committee.

Chair Troll recommended that Lands staff do not commit to any further investigation but that Mr. Harris can address the Lands Committee if desired at a later date.

PUBLIC PARTICIPATION ON AGENDA ITEM A

There was no public participation on agenda item A.

B. Negotiated Sale of North Franklin Parking Lot

Mr. Ciambor addressed the Lands Committee with the August 5th, 2016 memo submitted to City Manager Rorie Watt and reviewed the history and selected applicant associated with the sale of the North Franklin Lot.

Mr. Chaney said Lands staff received two letters today from the public associated with the project that they have been printed out and are available to the Committee.

Ms. Becker asked Mr. Ciambor to confirm Eagle Rock Ventures (ERV) will not be held responsible for providing parking. Mr. Ciambor responded that the CBJ selection committee recommended that based on ERV's portfolio in Seattle, they tend to do commercial space with housing above in transit investment corridors where they do not provide parking. Mr. Ciambor said in

discussions with ERV, they are interested in using the payment in lieu of parking City program. Ms. Becker asked how the City justifies requiring parking for the business in Douglas but not for the North Franklin Lot project and Mr. Ciambor replied he was not sure about the Douglas scenario but that the North Franklin Lot area falls into the urban parking district classification, which allows for payment in lieu of parking structure. Mr. Chaney replied the North Franklin Lot is in the PD-1 parking district, which has a low parking requirement and it is also in the fee in lieu parking area which allows developers to pay a fee instead of providing parking.

Chair Troll said when this proposal came before the Committee, the Committee recognized parking would be lost on site but did not consider the developers would not offer parking to the residents of the new development. Chair Troll said she was expecting a proposal that would have parking for the residents and asked Mr. Ciambor if he's had any discussions along those lines and how absolute is it that ERV will not consider parking. Mr. Ciambor responded that when looking at letters of interest and recruiting developers, the selection committee considered a few things: the lot is slated for disposal in the Land Management Plan, and the goal was to select the highest and best use which, in the 2014 appraisal, is commercial on the first floor with four floors of housing above. Mr. Ciambor said the appraisal did not include parking structures so the selection committee did not advocate for that in the selection process. Mr. Ciambor also said ERV's model is accessory apartments and mixed use development, that they may be interested in a different structure to meet community needs, but that their portfolio matches the needs outlined in the 2014 appraisal.

Ms. White said she always thought there would be some sort of parking provided in the proposal. Ms. White asked how many cars does the current lot hold and Mr. Chaney replied 23 lots with two side lots leased to the home next door. Ms. White said the lot holds a lot of cars and it's hard to imagine what this means for the downtown merchants and people who come downtown. Mr. Ciambor replied parking is a larger issue than these couple square blocks in the downtown corridor, that housing development throughout the entire community is really difficult, the Housing Action Plan emphasizes development where possible, and that there is no "home-run" on any parcel in the City to develop. Mr. Ciambor said ERV's proposal is about as good as one can get for housing in the downtown corridor; it meets the needs of the Juneau Economic Development Plan and would stimulate the downtown core. Ms. White replied it's a lot of parking to take away and is important for downtown.

Chair Troll said the "highest and best use" determination in the 2014 appraisal is an appraisal determination, but with a community perspective, "highest and best use" may have a different meaning in terms of meeting multiple needs. Chair Troll said she does not want to exacerbate the parking problem, which

is what this project would do. Chair Troll asked if the other applicant looked at parking and Mr. Ciambor replied the negotiated sale process to encourage housing is rare, and to find a developer who is willing to do what the CBJ has outlined in multiple plans, but require the developer to meet certain standards before they own the property is dangerous. Mr. Ciambor said during the review process, the other applicant – Verde Infrastructure Partners- did include a parking component that required investment from the City to provide for that parking. Mr. Ciambor said parking is prohibitively expensive, which could lead to the applicant completing the housing component and the City can figure out the parking component, leaving the CBJ back at square one.

Ms. Becker said there are other places downtown that could be developed with housing involved and asked if the City will continue to not have parking with housing downtown and Mr. Ciambor replied there is the payment in lieu of parking structure for certain areas of town and the transit and parking issue will come back to the Assembly for a grander discussion. Ms. Becker said if this proposal is approved, we should also change the two or three parking places by the North Franklin Lot that are 15 minute parking to 2 hour parking.

Chair Troll asked Mr. Ciambor if the Committee wants parking for the residents to be a part of this proposal, could he could go back to ERV and express the Assembly's concern over parking. Chair Troll said she's willing to have less value come back to the City instead of getting a full fair market value appraisal price to meet the public need for parking. Mr. Ciambor replied this is a dangerous path to go down, that he views this process as recruiting people to develop Juneau's housing, instead of negotiating before they even own the property. Mr. Ciambor reviewed ERV's criteria for developing this project and emphasized the risk of developers leaving the project due to encumbrances placed by the City.

Ms. White addressed Mr. Ciambor about residents in the Valley not going downtown because very little parking is available and choking out the parking will hurt downtown. Chair Troll replied to Ms. White that the Assembly was aware those 23 parking spots would be lost when the Lands Committee directed staff to go forward with a negotiated sale and that what was not expected was the exacerbation of the parking problem. Chair Troll stated that she would be interested in offering the property for a lower price if the development included on site parking. Mr. Ciambor said this will revitalize the downtown neighborhoods and the Housing Action Plan encourages the City to take action and Chair Troll said she does not want to move forward with this proposal until the full Assembly addresses the parking issue at the Committee of the Whole Meeting.

Mr. Chaney cautioned that selling the property at less than Fair Market Value to a private entity might be difficult to do under current code and Lands staff would need to talk to the City attorney about what provisions would be

needed to do that. Chair Troll replied she is aware of that and that there needs to be a path to the public good, and Mr. Ciambor replied this is a fair market, straight negotiated sale where public use components don't have to be included as conditions of sale.

Ms. Becker asked how long the Assembly could discuss parking before ERV would lose interest and Mr. Ciambor replied he could ask ERV to get a sense of their timeframe.

Chair Troll recommended this should be scheduled for the next Lands Committee meeting with a discussion on parking between now and then.

PUBLIC PARTICIPATION ON AGENDA ITEM B

There was no public participation on agenda item A.

VI. STAFF REPORTS

Mr. Chaney let the Lands Committee know Lands staff has a partially signed agreement with True North Credit Union for a Mobile Home Down Payment Assistance Program. The last step is to have the CBJ Risk Manager review the agreement, said Mr. Chaney.

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

There were no committee member reports.

VIII. ADJOURNMENT

The meeting was adjourned at 5:46PM.