

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

January 4th, 2016 5:00 PM.
Assembly Chambers

I. ROLL CALL

Jesse Kiehl, Chair, called the meeting to order at 5:01pm.

Members Present: Chair Jesse Kiehl; Assembly members: Mayor Mary Becker, Jerry Nankervis, and Kate Troll

Liaisons Present: Christopher Mertl

Liaisons Absent: Bob Janes, Bill Peters

Staff Present: Greg Chaney, Lands Manager; Rachel Friedlander, Lands Specialist; Kim Kiefer, City Manager; Mila Cosgrove, Deputy City Manager; Rob Steedle, CDD Director

II. APPROVAL OF AGENDA

'Renninger Subdivision Appraisal' was added as supplemental material underneath Agenda Topics, section A. The agenda was then approved as amended.

III. APPROVAL OF MINUTES

A. November 23rd, 2015

The minutes of the November 23rd, 2015 Lands Committee meeting were approved as amended.

IV. PUBLIC PARTICIPATION

There was no public participation on non-agenda items.

V. AGENDA TOPICS

A. Renninger Subdivision

Mr. Chaney said working on Renninger subdivision has taken some time due to wetlands issues. The recorded plat of Renninger subdivision was used by Mr. Chaney to demonstrate the Jackie Street location, which should be built by Admiralty Construction June 2016. The plat shows 7 lots, but only 6 lots will be developed since lot 7 goes all the way to Lemon Creek, said Mr. Chaney. The appraisal values for the 6 lots were then revealed as being increased by 10% above the property values shown in the draft appraisal that was distributed to the Committee. This was because the appraiser had incorporated additional information that modified the draft appraisal estimates originally distributed in the Renninger Subdivision supplemental information memo. Mr. Chaney then quickly reviewed some of the benefits to each lot. Mr. Chaney emphasized that it costs

the City a lot of money to develop these lots, and that the returns made from these land sales will go towards helping the City develop future projects. Mr. Chaney reviewed a letter sent by Juneau Housing Trust, and stated that the City has given land at less than fair market value in the past. Mr. Chaney then requested that the Assembly provide the Lands and Resources Division with further direction on disposing of these properties. A brief overview of the CBJ land disposal process, outlined in the supplemental material, was presented by Mr. Chaney.

Mr. Nankervis said he likes the sealed competitive bid process and asked if the JSD & UAS Home Builder Project requested a specific lot, and if so, how much property. Mr. Chaney replied that Lot 3 had been selected and it is roughly an acre and they were considering building 5 or 6 single family homes in a semi-circle for cottage style housing.

Ms. Troll said she was interested in pursuing further discussions with groups like Pacific Development Group, and that she doesn't want to hold onto land but also wants the City to be creative with disposal options. Ms. Troll mentioned a discussion she had with Mayor Becker and Mr. Mark Lewis of the Pacific Development Group regarding a Renninger development idea to build 50 units and create a private-public partnership while doing so. Ms. Troll said there is an opportunity to use public land as an incentive to develop a unique affordable housing unit with different mechanisms at play, and wants to know what local developers want to do. Ms. Troll requested guidance from staff on how to proceed with the Renninger land disposal without closing the door on other opportunities. Mr. Chaney replied that CBJ could do a request for proposals (RFP) so multiple developers could provide different options. Mr. Chaney said he wanted to make sure the City doesn't look like it's willing to sell for less than fair market value when disposing of property.

Mr. Mertl asked why there was a 10% increase with the appraised values and Mr. Chaney replied the appraiser had still been gathering information from developers when the original draft was submitted. Mr. Mertl also asked if the trail easements and lots are still being maintained and Mr. Chaney said yes and by the City. Mr. Mertl followed up by saying his preference was sealed competitive bid as a start off and if there are any parcels that aren't claimed, then a negotiated bid.

Mayor Becker asked about the factors contributing to the price per square foot and inquired if lot 2 and 3 would be the better parcels since they had the highest value per square foot, and Mr. Chaney replied yes because these lots would be the easiest to develop.

Chair Kiehl discussed RFPs and former Mayor Fisk's interest in City partnerships with developers so that land becomes an incentive, and asked if Mr. Chaney discussed this with former Mayor Fisk. Mr. Chaney replied yes but nothing

specific was discussed. Chair Kiehl followed up that a partnership could be created to work with a developer so that the developer pays for the lot after development finishes. Chair Kiehl asked if that would be something that happens through an RFP and Mr. Chaney replied it would be a negotiated sale.

Mr. Nankervis proposed changing the name of Jackie Street to pay tribute to an officer who passed away in the line of duty, and wanted to know the process for doing so. Mr. Chaney replied the Planning Commission is in charge of naming streets and that the plat is already recorded with Jackie Street. Pederson Hill subdivision is coming up however and will need street names, which could also serve this purpose, said Mr. Chaney. Mr. Nankervis agreed that Pederson Hill was a good idea.

Mr. Chaney reaffirmed the need for further guidance from the committee on the Renninger Subdivision land disposal. Mr. Nankervis made a motion of support for the sealed competitive bid process while reserving the option to hold one lot aside for the high school build group. Mayor Becker had concerns over lot 3 being given to the high school build group since it's such a high value property and Mr. Nankervis reaffirmed that his motion is not guaranteeing, only "reserving the option." Mr. Chaney offered clarification that the full Assembly would have to approve this as a whole, and that he is only asking for further direction to assist the Lands and Resources Division.

Ms. Troll vocalized again that she did not want this to preclude a potential negotiated sale agreement with private developers, and that she understands the sealed competitive bid process but does not want that to be the only option.

Mr. Mertl asked when the City disposes of land via sealed competitive bid process, are there lots left over and Mr. Chaney replied that Lands' experience is that there are a few left over and wouldn't be surprised if that happened again. Mr. Chaney also gave clarification that selling property to the school building program for 40% of fair market value is not a standard arrangement. Chair Kiehl added that the school district has been given foreclosed lots at no cost and Mr. Chaney replied that City was reimbursed for back taxes owed on the property.

Mr. Mertl vocalized again the importance of the sealed competitive bid process and if there are lots left over, to use other options.

Chair Kiehl responded that his concern with a sealed competitive bid is that only the most expensive and least developable lots will be left over for any public purpose or public-private partnership and does not want to reserve the worst for a public-private partnership. Chair Kiehl said his own interest was in disposing of some properties with sealed competitive bid while exploring options for partnerships.

Ms. Troll was in favor of Chair Kiehl's suggestion, and asked if this could happen concurrently, where Mr. Chaney could have discussions with the school district and the developer. Ms. Troll said she wants proposals, and if the City can get a novel 50 unit development out there with rent at less than fair market value, the City should get that development out there.

Mr. Chaney stated that he is asking for this guidance so Lands can bring something back to the committee. If Lands is directed to look at sealed competitive bid, Lands will get a draft sealed competitive bid packet ready that can be used to evaluate other proposals that come through in the meantime. Mr. Chaney said he's trying to move this along because Admiralty Construction has indicated that while they are building Jackie Street, they would be willing to build additional infrastructure at a lower price because they would already be present and mobilized. Mr. Chaney then asked if it would be acceptable to prepare packets for the sealed competitive bid process for the committee.

Chair Kiehl asked for clarification, and Mr. Chaney replied that he will supply a sealed competitive bid packet, which will be an informational list of each lot, the fair market value, and the pros and cons of each property. Chair Kiehl asked for the outlines of an RFP for a public private-partnership or other creative avenues.

Ms. Troll asked if this would include follow up discussions with UAS/JSD if there are specific proposals.

Chair Kiehl finished by asking if Mr. Chaney had what he needed to bring something back for the next meeting or if he needed a motion and Mr. Chaney replied that he understood the desires of the committee.

B. West Douglas Remote Subdivision

Mr. Chaney offered an early discussion about the City extending the road on West Douglas. He used a map to demonstrate the proposed road development. It's a pioneer road, said Mr. Chaney, and if someone were to put one end of the proposed road at the airport, it would reach Backloop Road. This narrow, pioneer road will be 14 feet wide, all weather surface gravel, and the proposal is to put a gate of some sort at the beginning of the road. The CBJ does not own any water front property, only uplands, and there is no use of the road as of now. The West Douglas Master Plan has outlined development nodes at the end of the coastline, like a deep water port for the area. This is all on Goldbelt property though so the City cannot control development, only have a plan for it, said Mr. Chaney. The reason why Goldbelt did not have the road built on their property was because of their experience with vandalism at the end of the road in north Juneau. As Lands Manager, the Lands Division will be responsible for cleaning up the potential problem, said Mr. Chaney. This area will be great for recreational use, but beyond that Mr. Chaney is not sure. Illicit activities will most likely happen so Mr. Chaney proposed a remote subdivision for developing recreational properties so

there will be eyes on the area. If local property owners are using the road, they will report inappropriate events before things get out of hand. This will be unique in Juneau because it will be recreational property accessible from the road system. Mr. Chaney then discussed the remote subdivision ordinance and the West Douglas Master Plan in relation to the road development. Mr. Chaney then asked the committee if they would like Lands to explore this topic further.

Ms. Troll asked what would happen to the gate in the front of the road if the remote subdivision was developed and Mr. Chaney replied it would remain there to control traffic since the road is not a maintained right-of-way. Ms. Troll followed up by asking if the City would make arrangements for someone wanting to build a cabin on their land and Mr. Chaney answered potentially yes.

Mayor Becker then asked how many years in the future this road may be extended further and Mr. Chaney replied that this would be a multi-million dollar development node probably built in partnership with Goldbelt for the future. Deep water ports are really expensive, said Mr. Chaney.

Mr. Nankervis said he was not interested in looking at this further for a number of reasons and eluded to Hidden valley. Another reason is it sounds like the City is trying to design something that serves its own purpose, said Mr. Nankervis, who is hoping sooner rather than later that this isn't remote and that development happens. Mr. Nankervis was concerned about where the City was going to be at if it rushes to develop.

Mr. Mertl said he echoes Mr. Nankervis' sentiment. With budget issues, there doesn't seem to be the need to build the road, said Mr. Mertl.

Chair Kiehl also echoed Mr. Nankervis' comments, and said his highest priority is to identify the development node as an industrial road.

Mr. Chaney clarified that the road is going to be built and will be a road without a use.

Ms. Troll said she appreciates that staff is trying to be creative and think of solutions before problems occur, but that she has come down to same thinking as Mr. Nankervis.

C. Stabler's Point Quarry Expansion

Mr. Chaney used a map to show what Stabler's Point quarry currently looks like. Mr. Chaney said Stabler is an important material source for construction projects, and that it is established to provide rock for City and State projects and then private projects. At this point, with this summer's efforts at Statter Harbor, the City has mined to the outer limits of what was approved in the City's conditional

use permit, said Mr. Chaney. There are two options: go down and remove less rock, or expand the quarry limits. Mr. Chaney proposed expanding the quarry uphill because there is more rock in the mountain. Mr. Chaney then went on to discuss the map and a couple options for expansion.

Mr. Nankervis said he's in favor of expanding the quarry, and brought up concerns from citizens at Fritz Cove Road about the noise. Mr. Nankervis said it's been found that the noise coming from Statter Harbor is louder than the quarry.

Mr. Merti said he agrees with Mr. Nankervis about expanding the quarry and added his concern about the quarry's visual impact, since that's what the ferry passengers will see. Mr. Chaney said when one looks back from the Alaska Marine Highway or when one is driving on the road, the quarry cannot be seen. The only time the quarry can be seen is from Statter Harbor, Mr. Chaney said, and that the visual impacts are more long distance than up-close. Mr. Chaney then asked if Lands has direction to continue in this way and Chair Kiehl confirmed it so.

VI. STAFF REPORTS

Mr. Chaney let the committee know that the Planning Commission recommended approval of the draft Land Management Plan, and the draft Land Management Plan will be before the Assembly, Committee of the Whole, on February 1st.

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

Mr. Nankervis thanked the Lands staff for their hard work.

VIII. ADJOURNMENT

The meeting was adjourned at 5:57pm