

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

March 23, 2015, 5:00 PM.

Assembly Chambers

I. ROLL CALL

Jesse Kiehl called the meeting to order at 5:00pm.

Members Present: Jerry Nankervis; Jesse Kiehl; Kate Troll; Mary Becker

Other Assembly Members Present: Mayor Sanford; Loren Jones

Liaisons Present: Bill Peters; Gerry Landry; Mike Peterson

Staff Present: Jessica Beck, Lands & Resources Specialist; Greg Chaney, Lands Manager

Public Present: Bruce Denton; Karen Lawfer

II. APPROVAL OF AGENDA

There were no agenda changes.

III. APPROVAL OF MINUTES

A. March 2, 2015

The minutes of the March 2, 2015 meeting were approved.

IV. PUBLIC PARTICIPATION

Bruce Denton: here on behalf of the Housing First working group. We are at crunch time trying to get the Special Needs Housing Grant application completed by the end of the week. One of the things we need is some recognition from the City that we could qualify for reduced price gravel. The value of the land that is being donated cannot be used to offset the local commitment dollar value because it's leased. We're looking for every dollar we can to get the full 5 points for the application. I'm not sure what the Lands Committee can do. We need something that says we're likely to receive or explicitly say it's been done for other projects.

Mr. Chaney: I found out about this request 20 minutes ago from Maria who's heading the application.

Mr. Kiehl: We'll run through our agenda and we'll talk about it under committee comments and questions.

V. AGENDA TOPICS

A. Southeast Alaska Foodbank Lease Amendment

Mr. Chaney: At the end of Crazy Horse Drive is the current Food Bank location. Currently the Southeast Alaska Food Bank leases ¼ acre of property. There is an existing building which is working well. They need more space. The general idea is to build an expansion. It's leased at \$1 per year. They want to expand it to ½ acre which would require a new ordinance. Staff is recommending a new 25 year lease. The Food Bank would be required to get all the necessary permits, such as a fill permit and building permit. Basically this will help the Food Bank serve the community in the future. It's been a good partnership. Our recommendation is that the Lands Committee forward at motion of support to the Assembly to adopt an ordinance authorizing the conveyance of a lease to the Southeast Alaska Food Bank in order to expand the leased area from .25 to .5 acres to meet the current and future demands of this facility.

Ms. Troll: The expansion, will help the Food Bank for how long?

Ms. Lawfer: We are anticipating it would go for another 10 years. The existing building is structurally very sound and the plan is to expand onto it. We will be able to bring on more refrigerator and freezer for more perishable items such as dairy, meats, fruits and vegetables. Often times the organizations we cater to, they do not have space for perishables. If we have an area with ready access, other than the starchy foods. Also, we can get more and store more, then our shipping costs are less. We do get donations from the communities, but we also access the Alaska Food Bank. It's a fairly nominal cost but we do have to add shipping. I'm also a member of Resurrection Luther Church and we provide the food pantry services for downtown. Each member organization of the Food Bank pays 14 cents a pound. Last year, the church got 25,676 pounds from the Food Bank that was distributed. We generally see anywhere from 800 to 500 individuals a month in the downtown area. I have some information regarding the Resurrection Lutheran Church and how we provide it. We are an integral part of the Food Bank as a user and how we distribute it out to families. It's also on our website.

Ms. Troll: You're looking at the ½ acre meeting your needs for 10 years, but then designing so you can expand again.

Ms. Lawfer: We hope that in 10 years, with more affordable housing coming in, our needs will stay the same. We will make it work. The space for big refrigeration is for perishables. That is a big concern for us trying to feed the hungry in this town. We want them to have fresh versus processed foods.

Mr. Kiehl: It looks like the request is by mutual agreement and it will be incorporated into one full lease, so we don't have two leases with different terms. Is that correct?

Mr. Chaney: Yes.

Motion: Mr. Nankervis: I move we forward a motion of support to the Assembly to adopt an ordinance authorizing the conveyance of a lease to the Southeast Alaska Food Bank in order to expand the leased area from .25 to .5 acres to meet current and future demands of this facility.

Hearing no objections, motion passes unanimously.

B. Driveway Easement Across CBJ Lands/North Douglas Island

Mr. Chaney: There are two existing easements. These are both constructed. The applicant participated on one link of the chain. What has happened is that they are on a landlocked parcel, that doesn't have frontage on a right-of-way. The parcel has been there a long time. The water access is pretty shallow. We granted them an easement in 2005 but it has expired due to the lack of use. They were active in the first portion of the easement that already exists. The current value of the easement is \$13,353. A resolution and easement will be brought to the Assembly for approval. The Planning Commission recommended in favor of the easement with conditions that are noted in the staff report. Staff's recommendation is the Lands Committee recommends the Assembly adopt a resolution authorizing the conveyance of a perpetual easement for a driveway and utilities across a fraction of Lot 1, U.S. Survey 3559 to serve residents on Lot 5, U.S. Survey 3559, as generally shown on Exhibit A.

Mr. Nankervis: Isn't there already an inhabited structure on that lot? How are they accessing it currently?

Mr. Chaney: There is a path and they are walking in. They want to be able to drive in.

Mr. Landry: What happens if you allow an easement?

Mr. Chaney: We would still own the property. We have the right to plat a right-of-way over it or grant other easements. It allows them to build a driveway to access their property. It will still be a natural area park. It's not normally the thing we like to do because you don't want driveways on natural area parks, but it's an isolated parcel. We have granted the easement in the past and they didn't build it. Would like to do that again.

Mr. Kiehl: Looking at the conditions, I understand all of them except for number 2. I get why we would want them to construct it within a certain time. What would be the purpose of having a requirement that it be used on a continuous basis?

Mr. Chaney: If it's not being used, we regain control in perpetuity. If they don't need it, we'll take it back.

Mr. Sanford: Whose property is the property to the left of theirs?

Mr. Chaney: That's a private lot.

Mr. Sanford: Why don't we move the easement so it catches both of them? So we don't have to do another one for them in the future?

Mr. Chaney: They didn't apply for the easement and haven't requested on. The alignment is what's most appropriate on the ground.

Motion: Ms. Troll: I move the Lands Committee recommend the Assembly adopt a resolution authorizing the conveyance of perpetual easement for a driveway and utilities across a fraction of Lot 1, U.S. Survey 3559 to serve residences on Lot 5, U. S. Survey 3559, as generally shown on Exhibit A, including the 13 recommendations by the Planning Commission.

Hearing no objections, motion passes unanimously.

C. Memorandum of Agreement between Goldbelt, Inc. and the City and Borough of Juneau Pertaining to the Extension of the West Douglas Highway

Mr. Chaney: The Engineering Department developed a map showing the new road alignment. We have a proposed alignment for the memorandum of agreement. The currently proposed road is on our property. Beyond that we will build farther. The memorandum of agreement is a show of goodwill between the two parties. Since it's almost all on CBJ property the MOA doesn't do much right now, but it's a show of good will between the two parties. When we get down to there, we're not going to be able to stay on our property. We'll have to go on Goldbelt property or federal land. But that's probably longer than 5 years in the future. So we can do another agreement after that. The memorandum of agreement is to cooperatively build a road to Point Hilda. This is a big futuristic proposal. We'll have an agreement in the future. We'll get 2/3 of the way to the initial phase to Middle Point. It will be a 150 foot right-of-way which is wide, but when you build a pioneer road you build it differently than a regular road. CBJ will administer contracts. The initial phase includes alignment, design, cost estimating and environmental permitting. With that, staffs recommending the Lands Committee adopt a motion of support for renewing the Memorandum of Agreement with Goldbelt Inc. to collaboratively develop an extension of a road on west Douglas Island and forward to the Assembly for further consideration.

Mr. Jones: Is the memorandum before us exactly the same as the previous 5 years? I went back to the Committee of the Whole minutes on March 22, 2010 and it took a while to figure out what they did there to make this similar to what was originally passed. I want to know if it's the same.

Mr. Chaney: I didn't notice any other significant differences.

Mr. Jones: Maybe you can help clarify. In the minutes back then, there was a motion on agreement 6, timber harvest, to change the word from "will" to "may". In here there is one "will" and one "may".

Mr. Chaney: I can't say which "will" or which "may" was changed. It's not a legal document. It's like a handshake. The idea is that there maybe some timber cutting along the alignment so no one would be surprised by it. 150 foot wide so it could be a wide swath and there may also be some timber off to the side of the right of way. I think Goldbelt would be interested in that.

Mr. Jones: I gather from this that you weren't the negotiator on this?

Mr. Chaney: That's correct.

Mr. Jones: The west Douglas Extension was big part of the economic plan. They recommended that we renew this agreement. My argument was to them, was to get state or local money, rather than renew this, we should renegotiate this to get some commitment from Goldbelt to actually come up with plans to develop this. They said they had no immediate plans. We're missing an opportunity here to put some emphasis on here to see if we're going to get some return on our investment. If it's all going to be on City land and the City is doing all the work I would like to see some commitment for what they're going to use it for economic purposes. We're missing an opportunity for just renewing it for another 5 years.

Mr. Sanford: We had one meeting with the new Goldbelt boss that just got hired. Their president was with them. They didn't want to change the plan at all. We started to try to straighten it out to get rid of some of the zig zags. He didn't want to change it at all until we he could get in and get a feel for it. They don't want to develop any unnecessary land, but they still talk about the four nodes that are there - to have a place for a boat harbor, a place for a deep water port, maybe a little industrial 75 acres to keep the growth out there rather than spread it out everywhere. They don't want to waste their land out there. But they're not ready to go down that road yet. To change or do anything specific. They don't know yet and they didn't want to change it at all.

Ms. Troll: Goldbelt, I'm sure were aware of the economic plan and the major initiative of the development of west Douglas. Are they on board with that aspect of the economic plan?

Mr. Sanford: I didn't ask them that specifically. They've been on board with developing the 4 nodules out there with us. That's why we came up with this understanding. The road was partially on our land and on their land but they didn't want to do that. It's a starting point.

Mr. Jones: Looking at the map and knowing that we're having this discussion on remote subdivisions, at the end of the road, there is another subdivision out there accessed by a pioneer road. It's remote with 8 or 9 homes in there. They're watching how the hidden valley turns out. They'd like to subdivide out there. Are we looking at housing or anything that we would do independently of Goldbelt? Is that part of the initial phase? I know we're looking at Pederson Hill and by Dzantiki Heeni, but are we looking at it out the road?

Mr. Chaney: It's not part of our plans to develop this far out the road. If a port was developed, maybe we would look at it. Maybe in the upland portions. We've got property closer to town, that we'd much rather develop. This is the area where the golf course was proposed. We don't have anything in the hopper right now.

Mr. Jones: I'm going to have to read the economic plan some more. They put a lot of emphasis on the second crossing there and a lot of emphasis on getting the infrastructure in there. If we waste a lot of political capital and stuff like that, there's a deep water port 20 years from now... it seems like the chicken and the egg. We need a deep water port before development, but we need a road before the deep water port. I was wanting more discussion in the agreements. While the road is part of the discussion for the Committee of the Whole, this agreement isn't.

Mr. Peterson: Since it's an MOA, perhaps taking under consideration the new leadership at Goldbelt, maybe take the MOA and change it to a 1 or 2 year agreement.

Mr. Nankervis: My wife would disagree with you. If the City put a road back there, I know who would be pushing me to buy a place back there to build. I think a 5 year window we're looking at, we're not going to be getting into Goldbelt's property in the next 5 years. At such time then we look at it. I don't think we need to beef up any of the language because we're looking at being on our property. I have a feeling that the road changed course because it crossed a few waterways. For years we've heard about this, where are we going to put the golf course?

Mr. Chaney: The golf course agreement has expired.

Ms. Troll: What will happen with the timber receipts? Will they go into the Lands Fund?

Mr. Chaney: The contracts haven't been designed. I believe the hope was that the timber costs would offset the road construction. The default would be to go to the Lands Fund while it's on City property.

Mr. Sanford: You're asking real detailed questions. This is a broad document. We haven't gotten there yet.

**Motion: Ms. Troll: I move the Lands Committee support the renewing of the Memorandum of Agreement with Goldbelt to collaboratively develop an extension of a road on west Douglas Island and forward the item to the Assembly for further consideration.
Hearing no objections, motion passes unanimously.**

VI. STAFF REPORTS

Mr. Chaney: We are working with Tracey Ricker to hopefully bring her onboard to help us develop an alternative to the fee simple sale to the property on the North Franklin. The model we're looking at is a lease. That's the way the Mental Health Trust and the Municipality of Anchorage do it. We're trying to find something easier for the developer, but something more certain for the

community. If you do a lease, you have a lot more control and the entry fee for the developer goes down.

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

There were no liaison reports.

Ms. Troll: I would like to look at the possibility to see what we can do with gravel to improve the grant application for the Housing First project.

Mr. Kiehl: How much gravel do you need?

Mr. Denton: I'm not sure. I tried calling the architects but no answer. Generally we need to raise it 3 feet. If you took 30,000 square feet for 3 feet.

Mr. Sanford: Mr. Watt just walked in. He may be able to help.

Mr. Watt: It looks like about 3,000 yards.

Mr. Kiehl: We can't finalize this without going to the full Assembly.

Mr. Chaney: Previous gravel agreements have gone to the Assembly. So I would feel comfortable with that.

Mr. Watt: 20 years ago there was friction between the public source and the private source. So the Assembly held that very tightly when the public resource could be used for a private project.

Generally it's always been available for city, state and university projects. As a policy decision, to not sell for a private project is an informal decision.

Ms. Troll: Our next Assembly meeting is April 6th. And I don't know if that's timely enough.

Mr. Denton: If the Lands Committee could make a recommendation and we could get some documentation we could include that in the grant request. The grant is due the 31st.

Mr. Nankervis: I think there is some sort of policy in place as to whether the project meets that those criteria sans Assembly approval that would typically qualify or not qualify.

Mr. Watt: I think the first distinction is that Housing First is not a for profit project.

Mr. Nankervis: Isn't that how it's normally done, staff comes forward with what they recommend?

Mr. Watt: It's a policy call from the Assembly. There's a lot of desire to not compete with private sector sales.

Mr. Kiehl: There is not a particular policy. We've had some conversations about how they will bring them forward. It's hard to argue that it's not at least serving a public purpose.

Ms. Troll: We have established a public good by putting public funds toward this.

Mr. Watt: I can't think of another similar project for nonprofit. We regularly allow the state and university to access it.

Mr. Denton: Coogan was granted gravel based upon a certain percentage of their market rate housing is for below market rate housing.

Mr. Chaney: That was a recent approval by the Assembly. We sold gravel to Coogan for the cost of overhead because they were providing affordable housing. This would be more significant because it would be providing housing for people who are more disadvantaged. There's not a clear matrix. There are a lot of discussions out there. Mr. Denton's group wants some support.

Mr. Kiehl: Mr. Denton you said, the goal is to get all the points for local match. How far are we off?

Mr. Denton: I'm not sure. We're trying to get a gross maximum price, but we don't have drawings. We're as close as we can get. I think we're really close.

Mr. Kiehl: For clarification, are you seeking gravel at public project rate or a grant of gravel?

Motion: Ms. Troll: I would move that the Lands Committee forward a recommendation to explore how best to grant gravel to the Housing First project.

I'm being vague because I really want staff to come forward with a specific recommendation. I don't know the history with the use of gravel but I want to conceptually support this and I really want when it comes to the Assembly to have the full suite of information they need. We don't have it now but given the concept of what has been explained to us, I am one Lands Committee member willing to support moving this forward to the Assembly for final action.

Mr. Jones: I was going to suggest slightly different approach. One (an approach) in which the Lands Committee would ask the Manager to put a letter in the (SNHG grant application) packet, that says under City Rules this is a public project and we will work with the Assembly to assure a public rate for gravel, we can't get it done in the timeframe of the grant, but under City rules this would be

an eligible project and we will work through that, so that there will be a letter from the City Manager saying that we will work through it knowing what our policies are. And if we can get that in to the grant, that will go a long ways as a commitment added on to the million and half dollars that we have committed. If the Manager put that in a letter I think that would help them (Housing First). We won't be violating any internal policies that we may or may not be aware of at this point. And then the manager brings that up through the process once the grant's approved. To me that would be perhaps an easier approach.

Mr. Kiehl: So if my math is right Mr. Watt, just under 3,500 cubic yards, market rate is in the neighborhood of \$7. So we are talking about forgone income just under \$25,000?

Mr. Watt: No.

Mr. Kiehl: So my math was wrong?

Mr. Watt: No your assumption was wrong. Market rate probably is right \$7... but for a public project we sell it to the low bidding contractor for the management fee which covers the cost of scales and road cleaning and Conditional Use Permits and that sort of thing which usually is a \$1.60 a ton or something like that. So we would be forgoing its \$5,000 or something.

Mr. Kiehl: Mr. Mayor did you want to add something?

Mr. Sanford: No. I'm staying out of it. These things usually take two to three months to work out.

Mr. Kiehl: Which things.

Mr. Sanford: These gravel sales and things.

Mr. Jones: That's why I was suggesting if the Manager could put in something that will work for the process and get that into the grant. Then we have the time to work through that if the grant comes through. And I think the Manager could probably word a letter that would be strong enough to get enough points.

Mr. Kiehl: It sounds like what I am hearing is a motion to support the use of City gravel in the terms for a public project and the Manager to authorize a letter in the interim saying that we are doing that. Is that what I heard?

Mr. Jones: Not that we are doing it, that we are working through the process.

Ms. Troll: That we are going to work through our process and she will explain the process in the letter so we are not circumventing things but we are trying to give a signal of support.

Mr. Kiehl: OK. So, Ms. Troll is that your (motion)...?

Ms. Troll: Yes. I retract my previous motion; I'm sorry, withdraw it. I've given the clerk a very challenging time here, I apologize and **I would move that the Lands Committee request the City Manager develop a suitable letter that shows support for the Housing First project and the potential use of its gravel. And that that letter would also explain the process that we will go through in formalizing it.**

Ms. Becker: Mr. Chair...

Mr. Kiehl: Ms. Becker before I recognize you I want to get clarity on Ms. Troll's motion and whether that it also includes forwarding our full support to the full Assembly for gravel at the public rate?

Ms. Troll: Yes.

Mr. Kiehl: Thank you. So, that is the motion before the Committee. Ms. Becker?

Ms. Becker: That was my question whether or not the Lands Committee supports the project and is supporting forwarding to the full Assembly with a recommendation of approval?

Mr. Kiehl: OK. So, the motion has both parts, the letter and the public rate gravel to the Assembly. Is there objection to that motion?

Hearing no objection, motion passes unanimously.

VIII. ADJOURNMENT

The meeting adjourned at 5:58pm.