

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

June 2 2014, 5:00 PM.

Assembly Chambers

I. ROLL CALL

Carlton Smith called the meeting to order at 5:00pm.

Members Present: Mary Becker; Jesse Kiehl; Carlton Smith; Loren Jones

Liaisons Present: Karen Lawfer, Planning Commission; Jeff Wilson, Parks & Recreation Advisory Committee; Mike Peterson, Docks & Harbors Board

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

II. APPROVAL OF AGENDA

There were no agenda changes.

III. APPROVAL OF MINUTES

A. May 5, 2014

The minutes of the May 5, 2014 Lands Committee were approved with the addition noting Mr. Kiehl declared a conflict of interest and stepped down from the North Franklin Lot discussion.

IV. PUBLIC PARTICIPATION

There was no public participation on non-agenda items.

V. AGENDA TOPICS

A. North Franklin Lot Request for Proposals

Mr. Kiehl declared a conflict of interest and stepped down for this discussion.

Mr. Chaney said the Juneau Legacy Properties applied to purchase the North Franklin Lot. This was brought forward to the Assembly who then had several choices. At the April 7th Assembly meeting it was voted to solicit for 30 days for more proposals. The lot is on 2nd and Franklin Street, across from the Baranof Hotel. The CBJ originally purchased the lot and removed the JAMI and Colonial Apartment buildings. It was supposed to be a parking garage but after the Downtown Transportation Center was constructed it was considered not appropriate to move forward with it at that time. The lot was recently appraised for \$530,000. We are required by code to sell it at fair market value. After solicitation, we only received one proposal. The proposal from Juneau Legacy Properties includes parking on the first floor and 3 upper levels with roughly 10 apartments on each floor. They included some images of generally similar designs of what they are planning. Staff completed the evaluation as if there were multiple applications. There were 4 criteria evaluated. The first was 40 points for the impact on housing. The other criteria were for other street level uses, parking management strategies and then the overall concept. The average score for positive impact on housing was 24 out of 40. More dwelling units, which would cost more money, would get a higher score. Other street level uses scored 11 out of 30. If parking wasn't on the first floor then more street level uses could be available. Parking strategies got 10 out of 20. They accommodated their own parking demand but did not address the existing parking the project would displace. Staff recommends the Lands Committee make a finding that the proposal meets the general goal of providing a mixed use downtown housing development. Staff also recommends that the Lands Committee determines that prior to the CBJ entering into any formal contract with Juneau Legacy Properties, a more complete set of plans is needed. If the final proposal is accepted, sale of the property should include a performance requirement and reversion clause. We followed the public notice model used for soliciting proposals. We didn't use the model used for a public hearing, which would have included a

sign on the lot and notices to neighboring properties.

Mr. Smith said Mr. Hamilton from the Baranof is here to make a statement.

Mr. Hamilton, general manager of the Westmark Baranof, said this parking lot is of real major interest to the Baranof. The Baranof is vital to the economic health of downtown and the whole CBJ. The lot has 24-25 parking spaces that are really needed. We have 199 rooms and only 24 parking spaces. We have 100+ employees. We will be suffocated without the parking. There are other businesses that need it also. We have conventions in the hotel. The city is host to the legislature. Losing that space would cramp what is going on. This parking lot has to be kept whole. I will work with the city. I think the city needs to put pressure on the Gastineau Apartments. The CBJ is occupying apartments in the Marine View for offices. If the city is not in control of the North Franklin Lot, I want to be.

Mr. Wilson: Is the Baranof interested for parking or units for your workforce?

Mr. Hamilton: We are interested in workforce housing also.

Mr. Smith: We are not following a hearing format. Any other members wish to speak?

No one else stepped forward.

Mr. Chaney: Representatives for the Juneau Legacy Properties are here also. Our staff recommendation would be to request a more complete set of plans from Juneau Legacy Properties before making a final decision.

Mr. Jones: In terms of review, if the land was private, the review you did would be done by the Planning Commission. But our recommendation is if we want to sell the land? Beyond that it's up to the developer and Planning Commission?

Mr. Chaney: This is a city asset. It could be turned into a multi-floor parking facility or other uses. We are not obligated to sell this. This is not a regulatory environment. The question to be answered is, does this meet the community's goals? Is it going to be better than keeping it for what we're using it for now? We did lose the Gastineau Apartments. An organization proposing more units is compelling.

Ms. Becker: The valuating score (50 out of 100) is relatively low.

Mr. Chaney: I don't want too much emphasis to be put on the 50 out of 100 score. The score compares the Juneau Legacy Properties proposal against a perfect building with a very large budget. One of the reasons the Juneau Legacy Properties proposal didn't score higher was that only 1/3 of the lower level was used for commercial space but putting parking on the second floor would cost more money. Juneau Legacy Properties took the best stab at it that they could. Twenty-nine new units in downtown Juneau would be a great addition to our community. An ideal structure may have had 60 apartments with more parking and ground floor commercial space but this might not be economically realistic.

Ms. Becker: What did you say to the question regarding the mural?

Mr. Chaney: The mural is one of those casualties of this proposal. If anything is built on this site, it's hard to imagine the mural won't go away or be blocked. If someone has an idea that would be great.

Mr. Jones: Do we forward the proposal to the Assembly for approval because we have no other uses? The only other use was in 2004 for a parking structure.

Mr. Chaney: Not quite. I'm saying that because it has 29 units and since housing is one of the Assembly's top goals, I'm suggesting we forward this proposal.

Motion: Mr. Jones: I move we forward the proposal from Juneau Legacy Properties with a recommendation we complete the sale. At that time we will determine the time limit.

Mr. Wilson: Looking at this, I think the downtown environment needs more housing but we should not rush into this proposal. I don't see why we don't advertise for another 30 days. It would give Juneau Legacy Properties time to get building profiles and give the other businesses a chance to submit proposals. I agree, that if we can get a 6 story building we should. We shouldn't be in a rush to get rid of this property.

Ms. Becker: I would caution, the minute we decide to get rid of the mural, we will hear from the public. I think we are rushing but we did put it on the timeline.

Mr. Smith: If we continue this and have more time for discussion, what would that timeline look like.

Mr. Chaney: We have a meeting in 2 weeks.

Mr. Jones: Without asking for additional information, which I don't need, postponing the decision is not going to give us more information unless we ask for more. If we forward this to the Assembly

would it go as an ordinance?

Mr. Chaney: We would need a positive vote from the Assembly and then it would go as an ordinance.

Roll Call:

Aye: Becker, Smith, Jones

Motion passes, 3 ayes, 0 nays.

VI. STAFF REPORTS

A. Spring 2014 Lena Land Sale Update

Mr. Chaney said sealed bids for Lena properties were opened May 12th. There was one high bidder that was 40% over the appraised value. The other property didn't have any bids. The lot that did not sell had quite a bit of earthwork done. Although the earthwork done was considered an improvement by the appraiser, I think it's different than what others may have done. If we don't sell it, we'll talk to the appraiser about reevaluating the value of the lot. We are going to have another land sale with 3 lots.

Mr. Jones: What is the minimum bid?

Mr. Chaney: It is the appraised value.

Mr. Chaney said the Pederson Hill rezone will be at the Assembly on June 9th at 7pm.

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

Mr. Peterson: No report from Docks & Harbors.

Mr. Wilson: At our last PRAC meeting, we had a report from the whale sculpture group. The whale is approximately 50% done and will hopefully be done this year. It should be in town next year. 50 pieces will be cast and shipped to Juneau in 3 pieces. The PRAC has been working over the years to form a Juneau Park Foundation. They have been working with the Juneau Community Foundation. It would allow them to fundraise money to work on trails, parks and eventually facilities.

Ms. Lawfer: The Planning Commission has moved out the proposed ordinance for the wireless communications as well as the plan. It's moving to the Assembly as we speak. We are looking at some changes to Title 49 dealing with subdivisions as well as accessory apartments. We're trying to figure out how can we facilitate this without zoning changes.

VIII. ADJOURNMENT

Meeting adjourned at 5:40pm.