Agenda

Planning Commission - Regular Meeting
City and Borough of Juneau
Ben Haight, Chair

May 23, 2017
Assembly Chambers
7:00 PM

I. ROLL CALL

II. APPROVAL OF MINUTES

A. April 25, 2017 Draft Minutes - Regular Planning Commission Meeting

III. WRITTEN AGENCY AND PUBLIC COMMENTS POST DEADLINE

A. Additional Materials for 05/23/2017

IV. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

V. PLANNING COMMISSION LIAISON REPORT

VI. RECONSIDERATION OF THE FOLLOWING ITEMS

VII. CONSENT AGENDA

A. CSP2017 0008, CBJ land disposal of a 4,893 square foot lot in the D-5 zoning district along the Fourth Street Right-of-Way

VIII. CONSIDERATION OF ORDINANCES AND RESOLUTIONS

IX. UNFINISHED BUSINESS

X. REGULAR AGENDA

A. AME2017 0007: Text amendment to revise Title 49 regarding Wireless Communication Facilities (WCF) 49.65.930 General Requirements (f) Setbacks.

B. USE2017 0006: A Conditional Use Permit for a Marijuana Cultivation facility in an Industrial zone

C. AME2017 0008: Text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Juneau neighborhoods.

D. AME2017 0009: Text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Douglas neighborhoods.

XI. BOARD OF ADJUSTMENT

XII. OTHER BUSINESS

XIII. DIRECTOR'S REPORT

XIV. REPORT OF REGULAR AND SPECIAL COMMITTEES

XV. PLANNING COMMISSION COMMENTS AND QUESTIONS

XVI. ADJOURNMENT

Agenda
Planning Commission
Regular Meeting
CITY AND BOROUGH OF JUNEAU
Ben Haight, Chairman
April 25, 2017

I. ROLL CALL

Ben Haight, Chairman, called the regular meeting of the City and Borough of Juneau (CBJ) Planning Commission (PC), held in the Assembly Chambers of the Municipal Building, to order at 7:01 p.m.

Commissioners present: Ben Haight, Chairman; Paul Voelckers, Vice Chairman; Michael LeVine, Nathaniel Dye, Percy Frisby, Dan Hickok, Dan Miller, Kirsten Shelton-Walker, Carl Greene

Staff present: Rob Steedle, CDD Director; Beth McKibben, Planning Manager; Laura Boyce, Senior Planner; Jill Maclean, Senior Planner; Tim Felstead, Planner II; Allison Eddins, Planner I; Robert Palmer, Assistant Attorney II

Assembly members: Debbie White, Loren Jones

II. APPROVAL OF MINUTES

March 28, 2017 Regular Planning Commission Meeting

MOTION: *by Mr. LeVine, to approve the minutes of the March 28, 2017 regular Planning Commission meeting with any minor alterations by staff or Commission member.*

The motion passed by unanimous consent.

III. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

Juneau resident Chris Carte said that she was before the Commission a year ago because they were trying to do a simple subdivision of their half acre lot located on Long Run Drive. At that time the request was denied and they were told this was due to recent changes. She said they have been waiting for a year and there still has been no action on their issue.

Ms. McKibben said she did not think they have yet spent time with Ms. Carte reviewing the shared access ordinance which was recently adopted and how it may affect their proposal. The Title 49 Committee reviewed possible changes to the Panhandle ordinance which she felt

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would address some of the concerns of Ms. Carte. Ms. McKibben said she felt it would be a good idea to meet with Ms. Carte and discuss the Shared Access Ordinance which has been adopted.

Ms. McKibben said she would email Ms. Carte and that they would meet early next week.

IV. PLANNING COMMISSION LIAISON REPORT

Ms. White, Assembly Liaison to the Planning Commission, reported that the Assembly has been working hard on the budget.

Mr. Voelckers asked if there was a broad summary which they could be provided regarding the access provisions on two to four lots.

Ms. White responded that she thought the Assembly had passed that provision when it was before them.

V. RECONSIDERATION OF THE FOLLOWING ITEMS - None

VI. CONSENT AGENDA

a. **USE2017 0005:** A Conditional Use Permit for the Construction of 7 Single-Family Dwellings on Lot 3 on Jackie Street.
Applicant: Juneau Housing Trust
Location: Jackie Street

Staff Recommendation

It is recommended that the Planning Commission adopt the Director's analysis and findings and grant the requested Conditional Use Permit. The permit would allow the development of seven single-family dwelling units with a shared driveway, with the land to be held in trust by the Juneau Housing Trust. The approval is subject to the following conditions:

1. Emergency Access must be signed as such with a “No Parking – Fire Lane” sign.
2. Provide lighting on the individual dwellings and light posts at the end of the individual driveways.
3. A central water meter is required.
4. The wastewater system will have a single connection to the main with cleanouts installed at the ROW, every one hundred feet, at the terminus of the “joint use” main and at each dwelling within 5 feet of the foundation.
5. JHT must provide copies of the leases/covenants that provide for maintenance of utilities and utility payment for water/wastewater, snow removal, and joint access maintenance.

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b. **CSP2017 0005:** Review of Use Permit for Docks & Harbor to permit the use of CBJ property located at People's Wharf for a small addition and siting of propane tanks for Tracy's Crab Shack.
Applicant: William C. Heuman & Marjorie J. Menzi
Location: 470 S. Franklin Street

Staff Recommendation
The Director recommends that the Planning Commission adopt the findings, analysis, and recommends that if the Docks & Harbor Department approves the Use Permit, it should include the following conditions, per CBJ 53.09.310:

1. Use Permit shall expire on November 1, 2017. Propane tanks, signage, and the addition for the crab shack must be removed from the site by November 1, 2017.
2. The applicant shall post a cash bond ($5,000) for removal of the propane tanks and screening, and the crab shack at the corner of the building.
3. Propane tanks must be enclosed and disguised from view and must meet Fire Code standards.
4. Any signs planned shall receive a sign permit prior to installation.

MOTION: *by Mr. LeVine, to approve the Consent Agenda.*

The motion passed by unanimous consent.

VII. CONSIDERATION OF ORDINANCES AND RESOLUTIONS - None

VIII. UNFINISHED BUSINESS - None

IX. REGULAR AGENDA

a. **USE2017 0001:** A Conditional Use Permit to allow an indoor exercise facility in an Industrial zone.
Applicant: Tongass Crossfit
Location: 125 Mill Street

Staff Recommendation
It is recommended that the Planning Commission adopt the Director's analysis and findings and **approve** the requested Conditional Use Permit for the continued operation and eventual expansion of an indoor exercise facility in an industrial zone. The approval is subject to the following conditions:

1. A minimum of 9 parking spaces at current capacity and 17 spaces with expanded capacity will be provided. One ADA space is required by Code.

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2. Any parking agreement that Tongass Crossfit enters into will include a maintenance agreement for snow removal and will be notarized and a copy of the agreement will be provided to the Community Development Department.
3. The applicant will have 30 days from the date of approval of this conditional use permit to have an approved parking plan and provide copies of any parking and maintenance agreement(s).
4. When the applicant applies for a building permit for the expansion the applicant will also provide a revised parking plan and a revised parking and maintenance agreement(s). The parking plan for the expanded facility must be approved and copies of parking and maintenance agreements submitted prior to issuance of the Temporary Certificate of Occupancy.

5. The facility's five on-site parking spaces shall be demarcated with Tongass Crossfit parking signs. Customers shall be made aware that on-site parking is only allowed in front of the Tongass Crossfit parking signs.

Ms. Eddins reported that this request before the Commission is for a Conditional Use Permit to operate an indoor exercise facility within an Industrial zone. This is located within the Thane boat condos, and is accessed via Mill Street, she said. The business will be open Monday through Saturday. It is currently operating without a Conditional Use Permit, as the applicant was unaware that he needed a Conditional Use Permit, she noted. If the Conditional Use Permit is approved, they would like to expand into another unit as well, she noted. In this case, they would probably want a building permit to knock a wall down between the units.

The current capacity within the one unit is for eight participants and one instructor, said Ms. Eddins. Every condo within the unit is assigned two parking spaces in front of the doors, said Ms. Eddins; corner units have a third parking space. The applicant currently has five on-site parking spaces, she said. There have been a few complaints from condo owners that CrossFit participants were parking either too close or in front of other units, said Ms. Eddins.

Title 49 has a table of uses, which are assigned a minimum parking requirement, but not all uses are listed in the table, said Ms. Eddins. There is a section in the code for "uses not specified". It states that the most comparable use should be listed, said Ms. Eddins. For yoga and dance studios in the past the parking requirement used was one parking space for every four people, based upon the public pool parking requirements, she explained.

Due to public comment the staff feels the minimum parking code as required by code would not provide enough parking spaces for Crossfit customers, said Ms. Eddins. The staff recommends that the parking requirement be based upon capacity, which would be nine spaces and increased to 17 spaces if they expanded into the adjacent unit. The majority of these spaces would have to be provided off-site, she noted. The code requires that off-site parking spaces must be within 500 feet of the facility, she said. She said it was her understanding that the applicant was working on obtaining these additional off-site spaces.

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The staff did not find any other issues regarding the Conditional Use Permit application, she said. They did find that neighborhood harmony could be negatively impacted if parking was not managed appropriately, she said.

Commission Comments and Questions
Mr. Hickok asked if the condo association was amenable to the suggested parking requirements.

Ms. Eddins responded that it was in agreement based on the recommended conditions.

Mr. Voelckers asked if the plan submitted to the condo association for its review was based upon the nine and 17 parking space requirement plan, or if it was a different count.

Ms. Eddins responded that she thought it was a different calculation. She said she thought they would leave it up to the applicant to work it out with the condo association to satisfy its requirements.

While stating that it was obvious that parking was the central issue, Mr. Voelckers said he was surprised the parking requirements went from one to four parking spaces for something like a yoga studio which seems fairly similar in scope, to the current proposal raising the factor to four. He said he wondered if in its study of the issue a more moderate number had come to the attention of the staff.

Ms. Eddins said she had done research to look at similar uses to the CrossFit proposal. Parking for the Juneau Racquet Club, for example, was based upon the gym's capacity and a carpooling analysis. Staff worked with the applicant to look at carpooling trends for Crossfit customers. She discovered that most of the participants did not carpool for the workouts. They drove in separate vehicles, she said.

Mr. LeVine said perhaps capacity should be based upon the actual number of participants expected to be in the facility at one time.

Ms. Eddins said capacity was based upon the applicant's assertion of its maximum class sizes.

Mr. Dye asked if the ADA parking spot was required regardless of the number of regular parking spaces.

Ms. Eddins replied that an ADA space was required if the amount of parking was between one and 25 parking spaces. She said there is room for the ADA space and she indicated on a drawing where it would be.

Mr. Hickok asked how the parking would be monitored.

It would be up to the applicant to monitor the parking, said Ms. Eddins.

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Applicant
Applicant Ryan Johnson said he has a good relationship with the condo association and that he would be monitoring the parking to ensure that no condo owners would be inconvenienced. He said they had been going by the information they were initially supplied with that there would be one parking space per every five participants.

Mr. Voelckers said he thought the parking spaces may be large enough where two small cars could park two deep in one parking space.

Ms. McKibben said that the zoning code prevents stacked parking except for single-family uses.

Mr. Miller asked if stacked parking was also prevented with the condo association.

Ms. McKibben said stacked parking could not be allowed for a commercial use.

Mr. LeVine asked the applicant how many people he felt the two condo spaces could ultimately accommodate.

Mr. Johnson said the spaces were not for people to go work out in but to go for coaching. He said they could effectively coach maybe eight people. A small bouldering wall would not even cover half of the area, he said. If the business was to grow and they needed a bigger space then they would obtain it, he said. There may occasionally be overflow if a bunch of people showed up one night to go climbing, he said.

Mr. Voelckers asked if the applicant found the staff recommendation of nine spaces for one condo and 17 parking spaces if they expanded into two condos to be a good estimate.

Mr. Johnson said he did not think every other business before him should be given requirements for substantially less parking and yet it was raised for his business. He said he would prefer one parking space per four participants as a more reasonable condition than one space for each potential participant. He said one parking space for each potential participant seemed a little unfair.

A participant in the CrossFit program and a person who used the parking for the business, Chris Walker, said he did not feel one parking space for each participant was necessary.

A condo owner in the area, Daryl Miller, said he was in favor of the CrossFit program and that he wished it a lot of success. He said he felt the one to one ratio for parking was too onerous for a small business.

Commission member Dan Miller said he also took note of how wide the road was between the two condo buildings. He asked Mr. Daryl Miller if he could comment on whether there was room for stacked parking regardless of what the current regulations were.

He said there was a substantial distance between the two condo units, and that Mr. Johnson has established a very good rapport with condo unit owners and has been very responsive to

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their comments.

Mr. Frisby asked if there was enough room for diagonal parking.

Mr. Miller said he thought there was enough room for diagonal parking.

Ms. McKibben said diagonal parking is allowed but that there are certain dimensions which must be adhered to as well as a specified width. She said she did not know if this would make any difference in the number of spaces which could be accommodated.

Mr. Haight asked about the current parking situation at the Rock Dump when it was in operation.

Mr. Johnson said he did not know, but that there were more parking spaces available at his business than were available at the Rock Dump.

Mr. Voelckers said he was uncomfortable progressing to a four-fold increase in parking requirements to other similar facilities in the past. He said he felt perhaps one space for every two participants would be adequate and still double the parking requirements for similar uses in the past such as yoga studios. He said he felt five spots would be adequate for one condo and if it expanded into the adjacent condo that a total of 10 parking spaces would be adequate.

Ms. Shelton-Walker said that she agreed completely with the comments of Mr. Voelckers and that she had come up with the same numbers as he.

MOTION: *by Mr. Voelckers, to approve USE2017 0001 with staff's findings and analysis with the exception of two modifications:*

1. *The statement be added under condition one that parking would be calculated roughly on a one parking spot per two participant basis of use creating a minimum of five parking spots at current capacity and 10 parking spots with an expanded capacity with one van ADA space per code.*

2. *And that a sentence be added at the end of condition two stating that a Conditional Use Permit is tied to an ongoing parking agreement.*

The motion passed with no objection.

Chairman Haight recessed the Planning Commission and reconvened the body as the Board of Adjustment.

Commission members Mr. LeVine and Mr. Miller recused themselves from participating in VAR2017 0001 and VAR2017 0002 due to potential conflicts. Mr. Miller said he may be the contractor for the house construction and Mr. LeVine said he had counseled the property owners.

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Mr. Miller: "Yes Mr. Chair I would like to announce that I have a conflict of interest."

Chairman Haight: "And your conflict of interest is?"

Mr. Miller: "I am the potential contractor."

Chairman Haight: "With no objection you may sit at the back."

Mr. LeVine: "I would request permission to join Mr. Miler at the back as I, too, am conflicted here."

Chairman Haight: "And your reasoning?"

Mr. LeVine: "I have been advising the applicant about this project."

X. BOARD OF ADJUSTMENT

The two related variance requests were discussed as one item and would subsequently be voted on as separate items.

a. **VAR2017 0001:** Request for variance to street side yard setback for new garage.
Applicant: Erica Roguska
Location: 335 West Twelfth Street

Staff Recommendation
Staff recommends that the Board of Adjustment adopt the Director's analysis and findings and **DENY** the requested Variance, VAR2017 0001.

If the Commission elects to amend the finding and approve the requested variance, the variance permit would allow the 10 foot street side yard setback bordering the alley right-of-way to be reduced to 5.8 feet for the finished face of a new two car garage in a D-18 zoning district.

The following condition of approval is recommended to ensure that the appearance of the side of West Twelfth Street of the subject lot and existing site distance at the intersection of West Twelfth Street and 'A' Street is maintained as a result of allowing this variance.

i) The finished face of the building, including arctic entries, porches and other structures subject to setback exceptions in the CBJ Land Use Code, is no closer than 13.5 feet to the West Twelfth Street property line.

b. **VAR2017 0002:** Request for variance to front yard setback for new dwelling.
Applicant: Erica Roguska
Location: 335 West Twelfth Street

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Staff Recommendation

Staff recommends that the Board of Adjustment adopt the Director's analysis and findings and **DENY** the requested Variance, VAR2017 0002.

If the Commission elects to amend the finding and approve the requested variance, the variance permit would allow the 10 foot front side yard setback bordering the 'A' Street right-of-way to be reduced to 6.8 feet for the finished face of a new dwelling in a D-18 zoning district.

Mr. Felstead said the subject parcel is located on 12th Street in the Casey Shattuck (the Flats) subdivision. Most of the subdivision is zoned D-5 but this particular lot is zoned D-18, said Mr. Felstead.

Since the surrounding properties have smaller setbacks, the setbacks on the existing property can be reduced, noted Mr. Felstead. This is an average based upon the three adjacent properties, he added. In this case all right-of-way setbacks on West 12th Street, A Street and the alley can be reduced to 10 feet, explained Mr. Felstead. The side yard setback cannot be reduced any more than five feet, he added. And where there are lots surrounded by three rights-of-way a rear setback is not required, he said.

The alley provides access to the rear of five properties, said Mr. Felstead. That is not a through right-of-way, he said; it ends at Gold Creek. The house plans for the new dwelling do not make use of the maximum space of 50 percent coverage of the lot nor does it take advantage of the full height allowance, said Mr. Felstead.

The existing house is a nonconforming structure. However, if the reconstruction cost of a nonconforming structure is greater than 75 percent of the cost to rebuild the house from scratch with new material, then the house has to be reconstructed according to the requirements of the Land Use Code, said Mr. Felstead. A single calamitous event such as a fire would be an exception to this rule, he said. That situation, however, is not relevant to this case as the applicant's plan is a totally new construction and they will demolish the existing house, said Mr. Felstead.

The applicant had been misinformed by CDD about the setback which would apply to West 12th Street, said Mr. Felstead. In the analysis of this variance the setback has been revised to reduce it to 10 feet, he said. With a 10 foot setback and exceptions which can be applied to arctic entries and porches, potentially the applicant could slide the desired footprint closer to West 12th Street resulting in the arctic entry and porch being five feet away from the property line on West 12th Street, said Mr. Felstead. This has potential impacts on sight distances, and it would be worth preserving the sight distance on West 12th Street at the intersection of A Street over preserving the sight distance for the alley, he said.

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The proposed building line on A Street would be further back than the footprint of the existing house, said Mr. Felstead. The applicant intends for vehicles to enter and exit via A Street. The CDD Director has to determine whether back-out parking is allowed, he said. Based upon the existing footprint the Director finds that back-out parking would be acceptable given the level of traffic that travels down a street, said Mr. Felstead. One of the reasons for the reduction based upon substandard setbacks surrounding buildings is to contribute to the neighborhood form, he said. Moving the applicant's proposed building footprint closer to W. 12th Street would mean extending the building further toward the street than most of the other dwellings on that street, said Mr. Felstead.

Mr. Felstead showed the Commission all the lots in the area which have been granted set back variances in the past. These are based upon the post 1987 version of the Land Use Code, he said. However, the recent Olmo case has changed the way variance criteria have been addressed, said Mr. Felstead. There is now an overarching requirement to address whether a hardship and practical difficulties result from an extraordinary situation or unique physical feature affecting the parcel is present, he explained. In this situation about 25 percent of the lots within this subdivision are bordered by three rights-of-way, he said. On West 12th Street on the side of the applicant's property there are eight similar lots out of 24 that are bordered by three rights-of-way, said Mr. Felstead.

The Olmo decision requires that the Board of Adjustment make the first determination before assessing the standard six criteria that were commonly examined in the past, said Mr. Felstead.

(VAR2017 0001 garage)
Mr. Felstead said the applicant has not shown either hardship or practical difficulties resulting from an extraordinary situation or a unique physical feature affecting only this parcel. In addition, he said, criterion one is not met, criterion two, three, four and five are met, and criterion six is met if a recommended condition is applied. That condition is that the building be constructed to the existing face and on West 12th Street, said Mr. Felstead. That would allow the site distance to be maintained and the appearance of West 12th Street to be maintained, he said.

(VAR2017 0002 dwelling)
Mr. Felstead said the application is complete, and the staff does not find the grounds for granting the variance for the same reasons as above. In addition, he said, criterion one and six are not met, and that criterion two through five are met.

Board Comments and Questions
Mr. Voelckers asked why Mr. Felstead distinguished between condition six on the two variance requests. He said in both cases both the garage and the house are substantially different and substantially relieved along A Street relevant to the current structure. He said he did not see why there was a distinction drawn between the two.

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Mr. Felstead said it is possible to slide the footprint forward and move the garage out to the setbacks. The applicant could create extra living space by building into the garage space and trying to find other parking solutions, he said.

Mr. Voelckers clarified by stating that it was a benefit to the neighborhood by holding the garage closer to the back alley.

Mr. Felstead concurred. He added that for the dwelling setbacks for A Street the staff could not find that there would be more benefits than detriments to the neighborhood if the variance was granted because it did not impact the W.12th Street sight distance in the same way.

Mr. Voelckers asked if the applicant was inclined to move the house forward to a 10 foot setback on 12th Street or if it the applicant was satisfied with 13 ½ feet.

Mr. Felstead said when he spoke with the applicants they had indicated that they preferred to keep the appearance of the neighborhood, and were also wary of taking light away from other neighboring properties.

Applicant
Don Roguska said they purchased the home a little over six months ago with the original intention of doing an extensive remodel of the existing building. They found there was too much damage to the existing structure to remodel it, he said. He said they felt that due to the surrounding properties that a three foot encroachment of the garage into the alley-way should be granted. He showed examples of other homes which were built along the property line in the area. They plan on reducing the footprint of the former garage quite a bit, he said. The former garage had been deemed unsafe, he said. The overall encroachment of the existing structure was 999 square feet, and the encroachment of the proposed structure would be less than 187 square feet, he said.

They have reduced their initial home size plans to minimize the footprint and to fit in better with the neighborhood, said Mr. Roguska. Encroachment on the A Street side would have no negative impact on neighboring properties, he said. They have introduced themselves to their neighbors and have since created a blog so that neighbors could post any comments or concerns they may have, said Mr. Roguska. So far the neighborhood has been very helpful and supportive, he said.

Board Comments and Questions
Ms. Shelton-Walker said she appreciated what the couple is doing for the neighborhood. She asked why the couple has not considered constructing living space above the garage.

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Ms. Erica Roguska said she had initially not wanted to construct above the garage due to possible vehicle emissions.

Ms. Shelton-Walker asked if it could be a possibility if necessary.

It could be a consideration, said Ms. Roguska.

Mr. Roguska said he was also concerned about that option because they have a neighbor directly behind them who parks behind where the garage would be. He said he felt if they built too high over the garage they would be casting shadows over the neighbor.

Mr. Voelckers said it appeared they had a basement in the house plans.

The applicants said they have a basement in the house plans no longer, so they could reduce the elevation of the dwelling.

Mr. Voelckers asked if any neighbors have expressed concerns over the project.

Mr. Roguska said they had one neighbor who had expressed the desire to preserve the existing structure. He added that the current structure could not be rebuilt. Under questioning from Mr. Voelckers, Mr. Roguska said there have been no concerns from the neighbors about any setbacks with the proposal.

Mr. Dye asked the applicant if they had any supporting arguments they could give regarding undue hardships with the project; if there was an extraordinary situation or unique physical feature about the lot.

Ms. Roguska it was a difficult situation because the lot is surrounded on three sides by right-of-ways. This feature affects the setbacks required for the project, she added.

Mr. Greene asked what the square footage of the proposed house is.

The previous house was a total of 3,000 square feet, said Ms. Roguska. The proposed home would be about 2,000 square feet, said Mr. Roguska.

Mr. Hickok asked if this would be brand new construction, rather than a remodel.

The applicants said that it was. They were not able to preserve the existing foundation, said Mr. Roguska.

Mr. Hickok asked the applicants if they had expected this complete of a house construction.

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Mr. Roguska said they did not expect a total rebuild. They had hoped to remodel the existing structure.

Mr. Hickok commented that this must be somewhat of a financial hardship for the applicants, since they cannot remodel the existing structure but must undertake a total new home construction.

Ms. Roguska said they had hoped to use generic house plans but instead had custom house plans drawn up to better integrate the proposed home with the existing neighborhood.

Mr. Frisby said it had been brought up earlier that the applicants had been misinformed about certain aspects of the project. He asked what this misinformation entailed.

Mr. Roguska said they had initially been told the arctic entryway had to conform to the setback.

Mr. Frisby asked if the existing foundation had been usable if the footprint would then have remained the same. Mr. Frisby said he was confused because it appeared that new lines appeared with the new home configuration.

Mr. Felstead said if the original foundation were kept it would still exceed the 75 percent threshold. The 75 percent threshold does not include the foundation, said Mr. Felstead. It only pertains to construction above the foundation, he added.

Mr. Greene asked if the applicants had initially tried to work within the current standards. He clarified that he meant the new conforming standards.

Ms. Roguska said that the original plan was to retain as much of the existing house as possible. Mr. Roguska said they kept scaling back the size of the house in an attempt to meet the setback requirements.

Public Comment
Mr. Carl Brodersen, who said he is building a house around the corner from the applicants, said he was in favor of the variances. He said the final result would be more in alignment with the other residences on the street. He said the project would be in the public interest since it was taking down an old and dangerous structure and erecting a new home in its place. He said he felt the applicants were making a reasonable request and encouraged the Board of Adjustment to vote in the applicant's favor.

Board Comments and Questions
Mr. Voelckers said they had before them a very nice project that is consistent with equivalent projects in the past that have made the Flats one of the most desirable parts of town in which to live. He said on the surface the project is terrific. He said the reason the variances are before

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the Board of Adjustment is because of the City's strategic process to develop a more defensible and accurate process and how variances are determined. Mr. Voelckers said what worries him this evening is the result from the Olmo decision stating that a unique hardship must be evident to justify a variance. He said he does understand that the City is working on improved language to dictate the interpretation of variances so that the language would be clearer. Noting that there have been a number of variances issued within the neighborhood since 1987, Mr. Voelckers said he also felt they should be concerned with fairness in process to the applicants. He felt the City should demonstrate some of the equivalent findings for this applicant that is reflective of the variances granted in the past.

The portion of the variance chapter regarding the unique and practical hardships has just been addressed within the past few months, said Mr. Voelckers. The issue regarding the necessity of hardship and practical difficulties is almost lost in the text in the material that the City hands out to applicants, he said. Highlighted in bold print for the applicants are the six criteria, said Mr. Voelckers. That is where the focus has been until just recently, said Mr. Voelckers. He said he felt they should hold these applicants to the same standards they have held other applicants to.

Considering this, said Mr. Voelckers, the only issue which has not been granted a "yes" by the staff's own analysis, is item one. Mr. Voelckers read that criterion:

That the relaxation applied for or a lesser relaxation specified by the Board of Adjustment would give substantial relief to the owner of the property involved and be more consistent with justice to other property owners.

Mr. Voelckers said it seemed patently clear to him that were the Board to grant the variance it would most definitely be providing justice for both the applicant and to other property owners in the neighborhood. This would be in keeping with what the City has done in the past with other, similar properties in the neighborhood, said Mr. Voelckers. It would be very easy for him to provide amendments to garner the Board's approval for these variances, said Mr. Voelckers.

Mr. Dye noted that within his short time on the Planning Commission there has been a lot of focus on the unique physical aspects of the property since the map indicating variances in the neighborhood showing variances from 1987. He said he felt it was important for the Board to keep in mind that it was to address those unique physical characteristics for many reasons to ensure that future problems are not created. He said this particular situation indicating the high number of variances within the neighborhood was an indication that rezoning should take place sooner rather than later. That might make a project such as this more feasible and put the Board in a more tenable position, he said.

Ms. Shelton-Walker commented that the Board did consider a variance request not long ago which was based upon design preferences and was denied, even though the applicants had

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noted that economic hardship was an element of their variance request. Ms. Shelton-Walker said to be just she wanted to make sure that the Board was being consistent as it moved forward in its deliberations.

Chairman Haight pointed out that this variance request while not unique to the neighborhood is unique to the zoning. This is a small lot within D-18 zoning, said Chairman Haight. He asked if this element would not contribute to a unique condition of the property when considered against a qualified D-18 property. He asked if this would place the variance request into a hardship situation.

In response to a question posed by Mr. Hickok, Mr. Felstead replied that the applicant would have the same setback requirements were the property zoned D-5.

In support of Chairman Haight's remarks, Mr. Voelckers stated that the original, underlying neighborhood configuration does not comport with D-18 zoning. He said judging by the number of variances which have been granted in the past within this immediate neighborhood, that there has been the sense that it is unique enough to allow some relief in these types of circumstances. He said as they move forward that perhaps the underlying issue is a change in the zoning for the area. He said he felt that at this time, they should use roughly the same interpretive criteria that have been given to other properties in the neighborhood which were granted variances.

Mr. Hickok asked if past variances which were granted were for setbacks reduced as much as this variance request.

Mr. Felstead responded that there have been variances granted in the past equal to or smaller than the requested setbacks for this variance.

MOTION: *by Mr. Voelckers, to approve VAR2017 0001 and accept staff's findings and analysis with the exception of item 1.*

He said to get to approval on item 1 the Board needed to find that this variance gives substantial relief to the owner of the property involved and is more consistent with justice to other property owners.

Speaking in support of his motion, Mr. Voelckers said they could make the statement that based upon staff's findings and analysis the Board believes the solution recommended is consistent with justice to other property owners and gives substantial relief to the owner of the property.

Ms. McKibben said the Board would also need to amend finding three:

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Does the variance as requested, meet the criteria of Section 49.20.250, Grounds for Variances?

The staff had determined that the applicant had not presented an argument that justifies the grounds for the variance. The staff found the applicant had not shown hardship and practical difficulties resulting from an extraordinary situation or unique physical features affecting only a specific parcel property.

Mr. Voelckers said the grounds which have typically been identified are the six criteria and with this amendment criteria one through six are met.

Ms. McKibben said the sentence stating that the "applicant has not shown hardship and practical difficulties resulting from an extraordinary situation or unique physical feature affecting only a specific parcel of property" must be amended in order for the conclusion to be supported.

Mr. Voelckers said he suggests that finding number three be amended to state, "yes" instead of "no", and that the six criteria have been met.

Speaking against the motion, Mr. Dye said that a not dissimilar variance request had been denied by the Board some months ago. He said there is a way for the footprint of the house to be reduced without a variance being granted. He said he would find granting this variance to be inconsistent with the Board's action since he has been on the Board of Adjustment.

Roll Call Vote on the Motion: *by Mr. Voelckers, to approve VAR2017 0001 and accept staff's findings and analysis with the exception of item one and finding three. The Board finds that this variance gives substantial relief to the owner of the property involved and is more consistent with justice to other property owners, thus meeting the six criteria, and the Board finds that the variance, as requested, does meet the criteria of Section 49.20.250, Grounds for Variances.*

Yeas: Voelckers, Haight

Nays: Greene, Hickok, Dye, Shelton-Walker, Frisby

The motion failed.

MOTION: *by Mr. Dye, to* deny *VAR2017 0001 and accept the staff's findings, analysis and recommendations.*

Roll Call Vote:

Yeas: Frisby, Dye, Shelton-Walker, Greene, Hickok,

Nays: Voelckers, Haight

The motion passed.

MOTION: *by Mr. Dye, to accept staff's findings, analysis and recommendations for VAR2017 0002 and deny the variance request.*

Speaking in explanation of his motion Mr. Dye said that the Board should be looking at a rezone of this area sooner rather than later. He said he would like to see this process expedited and executed in a very timely manner.

Roll Call Vote:

Yeas: Shelton-Walker Hickok, Greene, Dye, Frisby

Nays: Voelckers, Haight

The motion passed.

The Board of Adjustment was adjourned and reconvened as the Planning Commission.

X. OTHER BUSINESS

Quoting Title 49.75.410 (a) Mr. Dye read:
Commission initiated. The Commission shall initiate an amendment to this title by holding a public hearing to consider whether it should recommend such amendment to the Assembly. The Director shall provide at least 10 days public notice of the hearing.

Mr. Dye also read Title 49.75.110:
A rezoning may be initiated by the Director, the Commission, or the Assembly at any time during the year. A developer or property owner may initiate a request for rezoning in January or July only. Adequate public notice shall be provided by the Director to inform the public that a rezoning has been initiated.

MOTION: *by Mr. Dye, to form an ad hoc committee of the Planning Commission to draft and present a text amendment to Title 49 for the purpose of creating a zoning district that would enhance and preserve the historic nature and neighborhood characteristics of the historic downtown and surrounding areas.*

Mr. LeVine said he is in full support of Mr. Dye's motion, especially in light of the variance just denied by the Planning Commission. If the Commission is going to be more stringent in its award of variances, then in order to retain the equity for its citizens who want to construct

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projects and retain the characteristics of the neighborhood, the zoning ordinances should be revisited.

Mr. Steedle asked for a more specific explanation of what Mr. Dye meant when he referred to the downtown neighborhood. He asked for clarification on just what areas would be subject to this review. Mr. Dye said he would need to revisit the map to identify the key areas which could be included in this review.

Speaking in support of the motion, Mr. Frisby said it would be incumbent upon the Commission to follow through with this rezone proposal as soon as possible.

Mr. Voelckers asked Mr. Dye if he had a little more specific information on the process or the timing of this proposal. Mr. Voelckers said he found that this was an intriguing idea to help solve the problems that they are currently experiencing with some variance requests.

Mr. Dye said he felt they should accomplish this as quickly as possible. It is a multi-step process involving both the Planning Commission and the Assembly, he noted. He said he hoped they could have something to bring before the Commission by its next regular meeting.

Mr. Miller said when he rejoined the Commission there was a variance problem. Since he has been back on the Commission the "fix" has been to rezone, he said. The variances are in effect accomplishing the rezone, he said. Mr. Miller said he is in favor of fixing these types of problems. He said he felt that Mr. Voelckers made a very strong point this evening that in the meantime it is not just to the people who have applications before the Commission to deny their right to build within the allowances of many other properties within the neighborhood that have come before the Commission and received justice. It is not fair to the individuals requesting variances to deny those requests until the zoning is tightened up, said Mr. Miller. Meanwhile, said Mr. Miller, actions such as tonight which are a travesty to justice are going to happen. Mr. Miller said in his opinion the Board of Adjustment blew it this evening, as did the staff in its analysis.

Mr. Hickok commented that he did not think the Board of Adjustment made the wrong decision this evening. He said in his opinion the property has been purchased and there are setbacks and codes to which property owners must adhere. They know what the codes and the setbacks are, said Mr. Hickok, and they could have easily designed a house that fit within the codes and setbacks. He said he felt the applicants can redesign their home to fit within the codes and setbacks required.

Mr. LeVine asked what potential items they should be considering in a rezone other than lot sizes and setbacks.

Mr. Dye said he hoped the staff could help provide the answers to that question.

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Mr. Steedle said lot coverage would be another obvious item to be addressed.

Ms. McKibben said it depends on what parameters the Commission wanted to address. If the Commission, however, she said, simply wants to take one of the residential zoning districts and make it a better fit with the lot sizes and the setbacks that would be one action. If the Commission wants to create a new zoning district and review uses, then it would be somewhat more complicated, she said.

Mr. Dye said he hopes they can address the problem which would help alleviate the need in a basic way for more variances.

Mr. Voelckers said while he is in support of this idea he did feel it was a little unrealistic to expect a draft by the next regular Planning Commission meeting. He said he did hope the staff was noting that the Commission was giving a strong message that they could not simply tighten down the variances arbitrarily without addressing some of the causal issues.

Mr. Dye said it is his hope that this work can be accomplished before the end of the building season so that projects could get underway before the winter.

Mr. Steedle asked for clarification on what the Commission would like to see at the meeting after the next (May 23, 2017). He said a draft zoning district would be achievable if that is what the Commission wanted to see. He said when time frames are considered that public process has to be taken into account. They have to take the time to listen to the residents of any affected areas, said Mr. Steedle.

Mr. Frisby asked for the specific items which would be addressed in the rezone process. He added that he would appreciate specific information provided by the staff during this process.

Ms. Boyce said to create a new zoning district for this area they would look at lot size, lot coverage and what setbacks would best fit along with height. If they were to try to fit D-10 zoning to this area, for instance, many of the properties would still not conform, she said. They need to decide if they want every single lot to be able to conform to the zone, and what to do with the few that do not comply. There is a lot of information which must be considered, she said. Calculating lot coverage and existing setbacks will take more time, she said.

Mr. Frisby said he feels there will still be many lots which will not fit into whatever criteria they come up with.

Mr. Steedle said that Ms. Boyce was taking the zoning district most similar to the flats which is D-10 SF. There are many lots in the flats which do not meet that standard, he said. The staff

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would be looking at lot sizes in areas such as Douglas, Star Hill, Gastineau Avenue as well as the Flats, he said. They try to synthesize a zoning district to which more lots could adhere, he said.

Ms. Shelton-Walker said she hoped they would look comprehensively at all of the downtown areas. She asked if there are other avenues open to the Commission to help alleviate this problem other than zoning.

Ms. Boyce said that they are looking at a number of ways which can provide flexibility within the code. There is a section of code which allows certain exceptions into setbacks, they can expand that to allow more exceptions such as extra insulation added to the outside of the home, and they've also recently approved a parking waiver process to avoid parking variances in some instances. They are trying to come up with these other tools for flexibility instead of just having to rely on variances, said Ms. Boyce.

Mr. Miller said this is a very long and involved process and it is not quick. He said that is where his frustration lies. People come before the Commission usually for one request and it is the only thing they are asking and the only time they will be before the Commission. He said he strongly believes that it is the job of both the Planning Commission and the staff to try to find every possible way there is to say "yes". Like it or not, said Mr. Miller, variances are a section of the code that everybody gets to use the same as everybody else. Variances are the means with which they are repairing the old buildings, said Mr. Miller. Variances are how they are rebuilding structures built over 100 years ago, he said. Variances are tools which are being used to improve our housing stock, said Mr. Miller.

"We can't just lock the tool box up which has variances in it because we are tired of using those tools," he said.

Mr. Hickok asked what the benefits were of rezoning a community which is already established.

Mr. Steedle said he thinks the zoning which has been applied to the Flats area since 1987 just does not fit. People in this community love this particular area and it is their job to come up with zoning that matches, he said. Mr. Steedle said if the zoning in the Flats was appropriate then perhaps the applicant before the Board of Adjustment this evening could have rebuilt as they wished. He said he thought that was the goal.

Mr. LeVine suggested that they vote on Mr. Dye's motion and defer discussion about the timing and the scope of this conversation until the first meeting of the ad hoc committee if the Commission wanted to form such a committee. Mr. LeVine commented that in his experience after speaking with the applicants who were denied a variance on North Douglas several months ago that they were both very distressed with the process and were not planning on coming before the Commission again. Mr. LeVine said he fully expects the applicant this evening to have the same attitude about the process.

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MOTION: (redux) *by Mr. Dye, to form an ad hoc committee of the Planning Commission to draft and present a text amendment to Title 49 for the purpose of creating a zoning district that would enhance and preserve the historic nature and neighborhood characteristics of the historic downtown and surrounding areas.*

The motion passed with no objection.

Members to the ad hoc committee:

- ✓ Mr. Dye, chairman
- ✓ Mr. LeVine
- ✓ Ms. Shelton-Walker
- ✓ Mr. Frisby
- ✓ Mr. Voelckers

Chairman Haight asked if there was benefit to covering one area initially rather than covering them all at once. He suggested that phasing and strategy of the areas would be something for the ad hoc committee to consider initially.

Ms. McKibben stated that although public process was not required in code that they typically have at least a neighborhood meeting when subjects such as a rezone are going to affect the public. She suggested that the ad hoc committee decide if and how it would want to take neighborhood feedback and if it would want that feedback just at the beginning of the process or if at the beginning and the end of the process, and just how that would look like.

Mr. Voelckers suggested that some draft options to present to the public might be a good approach for the ad hoc committee rather than to just hear unfocused public comment.

DIRECTOR'S REPORT

Ms. McKibben stated that there is a Wetlands Review Board meeting tomorrow (April 26, 2017).

XI. REPORT OF REGULAR AND SPECIAL COMMITTEES - None

XII. PLANNING COMMISSION COMMENTS AND QUESTIONS - None

XIII. ADJOURNMENT

The meeting was adjourned at 9:24 p.m.

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Additional Materials
Regular Planning Commission Meeting

Assembly Chambers
7:00pm
Meeting Date: May 24, 2017

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1. **REVISED AGENDA FOR 5/23/17 MEETING**

2. **USE2017 0006:**

    a. Public Comment from Jana Morrison, received via email 5/23/2017

    b. Public Comment from Todd Araujo on behalf of Granite Mountain Properties LLC, received via email 5/17/2017

    c. Requested Comments from Robin Potter, CBJ Assessor, regarding the impact of marijuana grow facilities on real estate values

    d. Information from the applicants regarding Excel air filtration and order systems

    e. Appraisal of Real Property – Vital Statistics Building, 5411 Commercial Blvd, Juneau

3. **CSP2017 0008:**

    a. Memo RE: CSP2017 0008 – Avalanche versus landslide zones.

Agenda

Regular Planning Commission Meeting
City and Borough of Juneau
Ben Haight, Chair

May 23, 2017
Assembly Chambers
7:00 PM

I. ROLL CALL

II. APPROVAL OF MINUTES

A. April 25, 2017 Draft Minutes - Regular Planning Commission Meeting

III. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

IV. PLANNING COMMISSION LIAISON REPORT

V. RECONSIDERATION OF THE FOLLOWING ITEMS

VI. CONSENT AGENDA

A. CSP2017 0008, CBJ land disposal of a 4,893 square foot lot in the D-5 zoning district along the Fourth Street Right-of-Way

VII. CONSIDERATION OF ORDINANCES AND RESOLUTIONS

VIII. UNFINISHED BUSINESS

IX. REGULAR AGENDA

A. AME2017 0007: Text amendment to revise Title 49 regarding Wireless Communication Facilities (WCF) 49.65.930 General Requirements (f) Setbacks.

B. USE2017 0006: A Conditional Use Permit for a Marijuana Cultivation facility in an Industrial zone

C. AME2017 0008: Text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Juneau neighborhoods.

D. AME2017 0009: Text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Douglas neighborhoods.

X. BOARD OF ADJUSTMENT

XI. OTHER BUSINESS

XII. DIRECTOR'S REPORT

XIII. REPORT OF REGULAR AND SPECIAL COMMITTEES

XIV. PLANNING COMMISSION COMMENTS AND QUESTIONS

XV. ADJOURNMENT

Laura Boyce

From: jana mayer <janalynnak@yahoo.com>
Sent: Tuesday, May 23, 2017 10:12 AM
To: Laura Boyce
Subject: CUP

To whom it may concern:

I am writing in regards to the CUP 20170006.

I have read the proposal. I understand all of the safeguards and cameras that are proposed to be put into place.

My main concern is for the safety and well being of the teenage children who will be living in a residence next-door. The residence, located in the top floor of 1750 Anka Street, is within the same lot and fenced area as the 1758 Anka Street location. One of those three children is my child whom I have shared custody. I do not agree at all with a marijuana facility being next door to a family residence that includes children in the home.
There will be three teenage children living in the residence next door, approximately 40 feet away from the growing/dispensary facility. The doors to the home residence and to the growing/selling facility are located on the same side of both of the buildings. This is also the area that the children would park vehicles.

With the crime rate increasing rapidly in Juneau, I am concerned for the safety of children.

At most, I would like to see this permit denied for the safety of my child and other children.

At the least, I am requesting that a mechanical gate be put on the fence that already exists on the lot. Each storage unit renter would be given an access card/code to get into the gate to access their belongings. Residents and employees of the existing homes and businesses would also have an access key/code to get into the secured lot.

Thank you for your time and consideration.

Jana Morrison

Laura Boyce

From: Todd Araujo <taraujo@stsl.com>
Sent: Wednesday, May 17, 2017 3:59 PM
To: Laura Boyce
Cc: Beth McKibben
Subject: Request for Postponement of Commission Consideration of CPU - FileNo. USE2017 0006
Attachments: 2017-05-17 Letter to Planning Commission and attachment.pdf

Laura,

Enclosed find a letter requesting postponement of the Commission's consideration of the above-captioned conditional use permit application on May 23, 2017.

Thank you,

Todd J. Araujo
Simpson, Tillinghast, Sorensen & Sheehan, P.C.
One Sealaska Plaza, Suite 300
Juneau, AK 99801
(907) 586-1400 (Work)
(907) 209-4720 (Mobile)
(907) 586-3065 (Fax)

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LAW OFFICES OF
SIMPSON, TILLINGHAST, SORENSEN &SHEEHAN, P.C.

ONE SEALASKA PLAZA, SUITE 300 ▪ JUNEAU, ALASKA 99801
TELEPHONE: 907-586-1400 FAX: 907-586-3065

May 17, 2017

Via email only: Laura.Boyce@juneau.org

Laura Boyce, Senior Planner
Community Development Department
City & Borough of Juneau

Re: Application for Conditional Use Permit (File No. USE2017 0006)

Ms. Boyce:

My firm represents Granite Mountain Properties Limited Liability Company ("GMP"). This letter relates to the Planning Commission's ("Commission") Public Hearing scheduled for May 23, 2017, wherein the Commission will consider an application for a conditional use permit for a marijuana cultivation facility in an industrial zone - File No. USE2017 0006.

As it pertains to public notice, there is a three-layered notice process relative to informing the public of the Commission's consideration of a conditional use permit. As relevant here, notice is to be sent to owners of record within 500 feet of the subject property. CBJ 49.15.230(4). We were informed that notice was sent to affected property owners in and around the backend of April 2017. However, my client has not yet received said notice. As a result of not having received the notice contemplated for adjacent property owners, my client received notice of the public hearing via the posting of notice at the proposed site.[1]

The "late in the process" notice has presented my client, and perhaps other stakeholders, with a significant burden relative to establishing a potential basis of denial of the subject conditional use permit. As you are aware, one potential basis of denial of a conditional use permit is diminution in property value. CBJ 49.15.330(d)(5)(B); 49.15.330(f)(2). Once my client learned of the public hearing as discussed above, he immediately reached out to a reputable company to perform a valuation relative to the effects a marijuana cultivation facility may have on property values. As the enclosed letter reveals, the valuation company simply cannot finish such an economic study by the public hearing date of May 23, 2017. While the Commission staff memorandum indicates that "[t]here is no evidence to suggest the use will have impact on property value . . . ," it is not entirely clear what steps were taken or analyses performed, if any, to arrive at that conclusion. Given the importance of the property value diminution issue in the scheme of the Commission's review process, combined with the fact that the Commission will be faced with consideration of similar applications in the future, my client respectfully requests that the Commission postpone its consideration of the subject

[1] To be clear, my client does not believe that posting occurred at least 14 days prior to the public hearing as required under CBJ 49.15.230(3).

conditional use permit application to allow sufficient and additional time to conduct and provide an economic analysis of property value implications.

In addition to the foregoing, there is another procedural basis as to why the Commission should postpone its consideration of the subject conditional use permit. As you are aware, a marijuana establishment may not be operated within the City limits without, among other things, "a valid license issued by the State of Alaska." CBJ 49.65.1205(a). Indeed, the state licensing process for marijuana establishments requires the applicant to provide a copy of its state application to the applicable local government. 3 AAC 306.025(b)(3)(A). And when the Alcohol and Marijuana Control Office receives a completed application for a marijuana establishment license, a notice is to be given to "the local government with jurisdiction over the applicant's proposed licensed premises." 3 AAC 306.025(d)(2). The local government, like the City here, has veto power over the issuance of a state marijuana establishment license as more fully set forth in 3 AAC 306.010(c). Upon information and belief, the applicant has not submitted a completed application to the Alcohol and Marijuana Control Office as evidenced by the fact that the City has not received the state application required under 3 AAC 306.025(b)(3)(A), or the notice required under 3 AAC 306.025(d)(2). Until such time as these procedural conditions precedent are satisfied, it is premature for the Commission to consider a conditional use permit that is simply not ripe for consideration. The applicant may never submit a completed application to the Alcohol and Marijuana Control Office, or ultimately obtain the necessary approval of same. To eliminate the possibility of the Commission wasting limited time and resources on a decision that could ultimately prove unnecessary, the Commission should postpone its consideration of the instant conditional use permit application until such time as the two procedural requisites set forth above are satisfied.

Your consideration of this request to postpone the Commission's consideration of the subject application for a conditional use permit is greatly appreciated. Given the time sensitivities in play, we are hopeful that we could receive an answer on this request by Friday May 19, 2017.

Sincerely,

SIMPSON, TILLINGHAST, SORENSEN & SHEEHAN, P.C.

Todd J. Araujo

Todd J. Araujo

Enclosure

Cc: Rorie Watt, City Manager (Rorie.Watt@juneau.org)
Rob Steedle, CDD Director (Rob.Steedle@juneau.org)
Beth McKibben, CDD Planning Manager (Beth.McKibben@juneau.org)

Integra Realty Resources
Seattle

600 University Street
Suite 310
Seattle, WA 98101

T 206-903-6700
F 206-623-5731
www.irr.com

May 15, 2017

Carl Zaruba
Granite Mountain Properties, LLC
PO Box 34316
Juneau, AK 99803

SUBJECT: Economic Study Regarding Prospective Proximity Damages to the Vital Statistics Building Juneau, AK

Dear Mr. Zaruba:

Integra Realty Resources – Seattle (IRR – Seattle) is commencing an economic study relating to prospective economic damages to the Vital Statistics Building in Juneau, Alaska attributed to the hypothetical condition of a marijuana growing facility locating on the lot located adjacent to the east of your property.

This economic study will require 30 days to complete the necessary comparable research and/or market participant surveys to time to express a credible opinion of the expected range of value loss due to the marijuana growing facility's proximity to your property.

Specific concerns or issues that we will attempt to address include, but are not limited to:

1. Neighborhood Compatibility/Neighborhood Trends
2. Security
3. Odor Emissions/Air Impairment
4. Marketability
5. Tenant Demand
6. Financing
7. Insurability
8. Operating Costs
9. Economic Impact on the Vital Statistics Property

We understand that it may be necessary to expand the scope of our analyses to the Lemon Creek neighborhood in general.

Due to the time requirements needed to complete our economic study, we will not be capable of providing our analyses or competent expert testimony for the May 2017 Planning Commission meeting.

The initial economic studies conducted by IRR – Seattle suggest significant economic concerns that justify a postponement of the pending May Conditional Use Permit hearing to allow us to fully develop our study and articulate the foreseeable and/or potential economic damages to the Vital Statistics property.

If you have any concerns, please feel free to contact me.

Sincerely,

INTEGRA REALTY RESOURCES - SEATTLE

Kim M. Wold
Certified General Appraiser
Alaska License No. 52

Laura Boyce

From: Robin Potter
Sent: Monday, May 22, 2017 1:07 PM
To: Laura Boyce
Cc: Beth McKibben
Subject: RE: Request for comments regarding proposed marijuana cultivation use in Industrial District

Good morning Laura,

My comments are directed toward the impact grow facilities have in real estate values.

As Juneau is still in it's infancy where marijuana grow facilities are being established and because Alaska is a non-disclosure state where sales prices are voluntary, there is no historical local data to support the impact marijuana grow facilities have on surrounding property. There are substantial findings on the impact to real estate values from other states and that is what I will base my comments on. Please note there are two different real estate markets; residential real estate and the commercial/industrial real estate. As Juneau does not allow commercial grow facilities in residential real estate, I am focusing on commercial zoned areas only.

1) **A Real Estate Boom, Powered by Pot By DAVID GELLES APRIL 1, 2017**
https://www.nytimes.com/2017/04/01/business/a-real-estate-boom-powered-by-pot.html

> *Denver has emerged as America's de facto pot capital. Since Colorado legalized marijuana for recreational use in 2012, hundreds of stores selling pot have opened, and enormous growing operations have set up shop. Legal cannabis sales topped $1 billion in the state last year.*
> *The impact on the local real estate market has been equally big.*
>
> *From 2009 to 2014, 36 percent of new industrial tenants were marijuana businesses, according to the report on the city from CBRE Research, a commercial real estate company. Nearly four million square feet of industrial space was being used for cultivation in 2015, according to the report, about 3 percent of the city's warehouse space. Warehouse vacancy rates in Denver fell to just 3.7 percent in 2015, down from 7.5 percent in 2010.*
>
> *The industry has taken especially deep root among the low-slung warehouses in north Denver. Buildings used for growing marijuana are easy to spot — many are distinguished by extra lights and security cameras. But "I wouldn't have to point it out," said Brian Vicente, a partner at Vicente Sederberg, a Denver law firm that specializes in marijuana issues. "You can smell it."*
> *Retail spaces are just as hot. By 2015, there were upward of 200 marijuana stores in Denver, occupying high-end storefronts and former gas stations.*
> *The spike in demand has been good for landlords, who often charge two to three times market rates for spaces used for cultivation or sales.*

2) **The Marijuana Business Is Really the Real Estate Business By Will Yakowicz**
https://www.inc.com/will-yakowicz/the-big-opportunity-in-marijuana-is-real-estate.html

Since 2013, many cannabis entrepreneurs have seen their warehouse rents skyrocket after they'd spend tens of thousands of dollars to convert the space into a marijuana growing operation. Owning your real estate lets you avoid that financially crippling scenario entirely, says Patti Zanin, an independent real estate agent in Denver who serves weed clients.

Zanin says buildings zoned as "light industrial" that have been vacant for years are now the most valuable properties in the area thanks to the marijuana industry. Properties go so quickly, Zanin says, that a secondary market has blossomed--well-heeled companies will buy a property, get a license, and sell the whole package to smaller businesses.

After spending over $1 million to build out the 40,000-square-foot warehouse Medicine Man rented on Nome Street near the Denver airport, Vander Veer and her brothers Andy and Pete Williams decided to buy it. The brothers and sister got it for $2.5 million in 2014 and it's now worth $6 million (they recently sold it).

"It's the green boom here in Colorado and real estate is at a premium," Vander Veer says. "If you own a building that is zoned properly, not including any improvements, it's worth millions."

3) **Oregon marijuana growers vie for real estate as they prepare for recreational market. By Noelle Crombie (The Oregonian, Jan. 20, 2015).**
Oregon marijuana growers vie for real estate as they prepare for recreational market (link is external),

Growers estimate that it costs between $400 and $1,000 to produce a pound of cannabis, which sells for between $2,100 and $3,000 per pound on the retail market.
Longtime medical marijuana growers who've quietly tended plants in their basements say they're looking to upgrade to warehouses. Producers already in warehouses plan to expand.
They're snapping up real estate, in some cases competing with each other for the same locations. Real estate agents say growers are paying well above market price to lease buildings, particularly in the Portland area, essentially reserving space until the Oregon Liquor Control Commission crafts rules for cannabis cultivation.
Six years ago, when Mike Anderly, 37, moved his plants out of his basement and into a commercial warehouse in St. Johns, the rent was $1,100 a month. Today the same space goes for $2,500. He spends about $6,000 a month renting two commercial spaces.
"There is such limited commercial space, especially in Multnomah County – and Multnomah County is the sweet spot – people are paying exorbitant rates," said Anderly, whose marijuana production business is called Cloud City Gardens.

4) **Will Legal Marijuana Give Home Prices a New High? By Yuiqing Pan and Clare Trapasso (Realtor.com Real Estate Opportunities Nov 7 2016)**
http://www.realtor.com/news/trends/legalizing-marijuana-gets-housing-prices-high

How pot gets home valuations higher *.The prospects of employment—as well as the desire to legally grow, buy, enjoy, and otherwise self-medicate with weed—have led to an increased demand for housing. Simply put, more people seem to move to states with legalized marijuana, boosting home prices."The legalization affects both the demand and the supply in the residential housing market," says University of Mississippi economics professor Cheng Cheng, one of the authors of a study on how legalizing retail marijuana in Colorado has given a lift to local real estate. Areas where it's legal are "going to attract more home buyers, including marijuana users as well as entrepreneurs and job seekers."*
Legal marijuana draws transplants to Colorado. *Since the first shops opened their doors on Jan. 1, 2014, the median home sale price in the state has shot up from $248,000 in the first half of 2014 to $298,000 in the first half of 2016, according to the realtor.com analysis. That's partly due to the state's population surge, rising 1.9% from July 1, 2014, to July 1, 2015, according to the U.S. Census. That makes it the second-fastest-growing state in the nation, just behind North Dakota. There's no direct evidence tying the legalization of the drug to the population boom, but real estate agents say more of their clients are relocating to the state because of it."About 60% to 70% of my clients are*

buyers coming in from out of state," says real estate broker Rona Hanson, of Need Room to Grow Realty in the Denver suburb of Lakewood, CO. She specializes in selling homes where buyers can grow their own cannabis.Home prices tend to be higher in the roughly 60 Colorado cities and towns where cannabis is legal than the more than 200 where it's not. For example, where cannabis is legal, the median sold price was $302,500 in the second quarter of 2016, according to the realtor.com analysis. That's 13% higher than the $267,200 median sold price in the more than 200 localities where the green stuff is illegal.In addition, homes have been appreciating by 12% annually since 2014 where it's legal. That's compared with just 9% in areas where it's illegal.

Why small towns can get the biggest highs T*hey can give sorely needed economic support to struggling small towns.In Colorado's rural Clear Creek County, a local mine that has provided the bulk of the county's tax revenue plans to close within the next few years. However, some of that money is being replaced by the marijuana industry, which kicked in more than $125,000 this year through August, according to the state's Department of Revenue. "We have more tax revenue for schools," says area Realtor Joshua Spinner, of Clear Creek Realty Colorado. "There are people moving to our county because it is more rural and they do want to grow." Another big beneficiary is Edgewater, just 15 minutes outside Denver. The tiny town has about a half-dozen dispensaries that stay open hours later than those in Denver. Could it be a coincidence median sold home prices in Edgewater have jumped 18% annually since 2014, compared with 13% in Denver?*

In summary, I was unable to find any information to support legal grow facilities having a negative impact upon surrounding commercial properties. There is some evidence where illegal commercial grow facilities in residential neighborhoods have lowered values, mainly due to odors and mold in uncontrolled environments. If anything commercial grow facilities have caused an upsurge in demand, values and economic benefits.

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http://www.juneau.org/financeftp/assessor_main.php

From: Laura Boyce
Sent: Friday, May 19, 2017 4:41 PM
To: Robin Potter
Cc: Beth McKibben
Subject: Request for comments regarding proposed marijuana cultivation use in Industrial District

Good afternoon, Robin,

As discussed, attached is the application for the proposed marijuana cultivation use in the Industrial district. The property is 1758 Anka Street. The public hearing is scheduled for this Tuesday, May 23rd, beginning at 7 p.m. If you have something general we can provide in writing, it would be greatly appreciated. Also, if you'd like to attend the public hearing and speak to this issue in person, you are more than welcome to!

Thank you and I will follow up with you on Monday,

Laura

Laura A. Boyce, AICP
Senior Planner

Community Development Department
City and Borough of Juneau
907.586.0753

laura.boyce@juneau.org

From: Jumbo
Sent: Tuesday, May 23, 2017 8:43 AM
To: aaronoverton81@gmail.com
Subject: Excel Air Systems

Hey Aaron,

All of our AC Systems are split systems with an outdoor condenser and indoor air handler. There is never any air from inside the sealed room being expelled by the AC system. We use the DX cooling process (direct expansion) meaning the coil inside the air handler absorbs the heat from the sealed room. Then the unit pumps the "hot gas" through the line set to the outdoor condenser which expels the heat only. We never take any of the air from inside and expel it to the outdoors.

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--
Thanks,
Akash "Jumbo" Kumar

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The Excel Odor Eliminator is perfect for any area where extreme smell is an issue. Unlike other filters this multistage filter will remove the harshest smells, giving you peace of mind. Either place the two piece unit inside your area or easily duct to and from your room, ensuring thorough air circulation past the primary and secondary filters, then through the 5 trays of Custom Charcoal. Plug the bottom box blower into any 115V plug and it will start eliminating odor instantly.

Packaged Contents

- Bottom Box Blower with Fan
- Top charcoal chassis
- 5 x Charcoal trays
- 1 x Large Pleated Filter
- 1 x Throwaway Pre-Filter
- 55lbs of Custom Charcoal

Dimension: 50" H x 25" W x 22" D
Weight without Charcoal: 175lbs
Charcoal: Custom Shaled Coconut Charcoal (55lbs)

Filter 1: 2" High-Strength Dual-Ply Cardboard Frame
0.17" W.G.
Synthetic Media Composition
88% Air Arrestance

Filter 2: 4" Pleated Panel High-Strength Beverage Board
1" W.G.
MERV 11
Synthetic Media Composition
95-98% Air Arrestance

Blower: Fasco D701
115V 60Hz
HP: ⅛-½
RPM: 1075 2 Speed
Amperage: 3.3 Low Speed -7.7A High Speed

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Our two-stage safety pilot valve does not allow fuel to flow to the burner unless the pilot is lit, and will shut down the fuel supply in the event the unit falls or tips over. The solid state electronic ignition module creates a spark to light the burners. Autopilot CO2 generators are available in both propane and natural gas models.

- Dual solenoid valves
- Precision manufactured brass burners
- Solid state electronic ignition module - no pilot light necessary
- TIP OVER switch shuts off gas source if the unit falls or tips over
- SHUT DOWN warning with LED error indicator light
- Fabricated with all high quality components
- Easy to operate

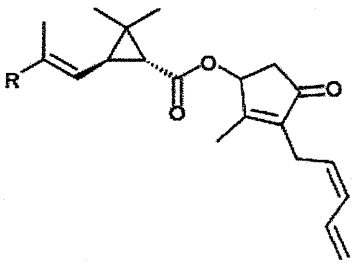
COMPONENTS

- 8 pre-mounted brass burners

Pyrethrin

From Wikipedia, the free encyclopedia

The **pyrethrins** are a class of organic compounds normally derived from *Chrysanthemum cinerariifolium* that have potent insecticidal activity by targeting the nervous systems of insects. Pyrethrin is synthetically made by industrial methods, but it also naturally occurs in chrysanthemum flowers, thus is often considered an organic insecticide, or at least when is not combined with piperonyl butoxide or other synthetic adjuvants.[1] Their insecticidal and insect-repellent properties have been known and used for thousands of years.



Chemical Structure of Pyrethrin, Pyrethrin I R = CH_3, Pyrethrin II R = CO_2CH_3

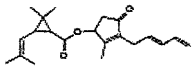
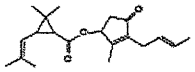
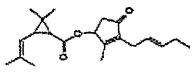
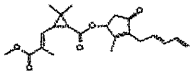
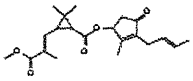
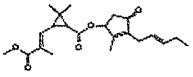
Pyrethrins are gradually replacing organophosphates and organochlorides as the pesticides of choice, since these other compounds have been shown to have significant and persistent toxic effects to humans. Because they are biodegradable compounds, pyrethrins are now widely regarded as being preferable to pyrethroids, which is the name of a group of synthetic analogues of pyrethrin that accumulate in the environment. Pyrethrins are considered to be low-toxicity pesticides from a human health standpoint.

Contents

- 1 Chemistry
- 2 History
- 3 Biosynthesis
- 4 Production
- 5 Use as an insecticide
- 6 Toxicity
  - 6.1 Chronic pyrethrin toxicity in humans
  - 6.2 Pyrethrum toxicity
- 7 Environmental effects
  - 7.1 Aquatic habitats
  - 7.2 Bees
- 8 References
- 9 External links

Chemistry

Table 1. Physical and Chemical Properties of Pyrethrin.[2][3][4][5][6][7]

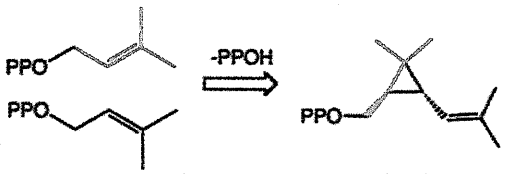
Group	Pyrethrin I			Pyrethrin II		
Chemical Compound	Pyrethrin I	Cinerin I	Jasmolin I	Pyrethrin II	Cinerin II	Jasmolin II
Chemical structure						
Chemical formula	$C_{21}H_{28}O_3$	$C_{20}H_{28}O_3$	$C_{21}H_{30}O_3$	$C_{22}H_{28}O_5$	$C_{21}H_{28}O_5$	$C_{22}H_{30}O_5$
Molecular mass (g/mol)	328.4	316.4	330.4	372.4	360.4	374.4
Boiling point (°C)	170	136-138	-	200	182-184	-
Vapor pressure (mm Hg)	2.02×10^{-5}	1.1×10^{-6}	4.8×10^{-7}	3.9×10^{-7}	4.6×10^{-7}	1.9×10^{-7}
Solubility in water (mg/L)	0.35	3.62	0.60	125.6	1038	214.8

History

The pyrethrins occur in the seed cases of the perennial plant pyrethrum (*Chrysanthemum cinerariaefolium*), which has long been grown commercially to supply the insecticide. Pyrethrins have been used as an insecticide for thousands of years. It is believed that the Chinese crushed chrysanthemum plants and used the powder as an insecticide as early as 1000 BC. It was widely known that the Chou Dynasty in China widely used pyrethrin for its insecticide properties.[8] Pyrethrins were identified as the potent chemical in the Chrysanthemum plants responsible for the insecticidal properties in the crushed flowers around 1800 in Asia. In the Napoleonic Wars, French soldiers used the flowers to keep away fleas and body lice.[8]

Biosynthesis

Well after their use as insecticides began, their chemical structures were determined by Hermann Staudinger and Lavoslav Ružička in 1924.[9] Pyrethrin I ($C_nH_{28}O_3$) and pyrethrin II ($C_nH_{28}O_5$) are structurally related esters with a cyclopropane core. Pyrethrin I is a derivative of (+)-*trans*-chrysanthemic acid.[10][11] Pyrethrin II is closely related, but one methyl group is oxidized to a carboxymethyl group, the resulting core being called pyrethric acid. Knowledge of their structures opened the way for the production of synthetic analogues, which are called pyrethroids. Pyrethrins are classified as terpenoids. The key step in the biosynthesis of the naturally occurring pyrethrins involves two molecules of dimethylallyl pyrophosphate, which join to form a cyclopropane ring by the action of the enzyme chrysanthemyl diphosphate synthase.[12]



Cyclopropanation reaction producing chrysanthemic acid

Production

Commercial pyrethrin production mainly takes place in mountainous equatorial zones. The commercial cultivation of the Dalmatian chrysanthemum takes place at an altitude of 3000 to 6000 meters above sea level.[13] This is done because pyrethrin concentration has been shown to increase as elevation increases to this level. Growing these plants does not require much water because semiarid

conditions and a cool winter deliver optimal pyrethrin production. Another variety of *Chrysanthemum* used for the production of pyrethrins is the pyrethrum chrysanthemum. These flowers prefer to be grown in dry soils at a lower altitude than the Dalmatian chrysanthemum to optimize pyrethrin production.[14]

Tanacetum cinerariifolium

Most of the world's supply of pyrethrin and *C. cinerariaefolium* comes from Kenya, which produces the most potent flowers. Other countries include Croatia (in Dalmatia) and Japan. The flower was first introduced into Kenya and the highlands of Eastern Africa during the late 1920s. Since the 2000s, Kenya has produced about 70% of the world's supply of pyrethrum.[15] A substantial amount of the flowers is cultivated by small-scale farmers who depend on it as a source of income. It is a major source of export income for Kenya and source of over 3,500 additional jobs. About 23,000 tons were harvested in 1975. The active ingredients are extracted with organic solvents to give a concentrate containing the six types of pyrethrins: pyrethrin I, pyrethrin II, cinerin I, cinerin II, jasmolin I, and jasmolin II.[16]

Processing the flowers to cultivate the pyrethrin is often a lengthy process, and one that varies from area to area. For instance, in Japan, the flowers are hung upside down to dry which increases pyrethrin concentration slightly.[14] To process pyrethrin, the flowers must be crushed. The degree to which the flower is crushed has an effect on both the longevity of the pyrethrin usage and the quality. The finer powder produced is better suited for use as an insecticide than the more coarsely crushed flowers. However, the more coarsely crushed flowers have a longer shelf life and deteriorate less.[14]

Use as an insecticide

Pyrethrin is most commonly used as an insecticide and has been used for this purpose since the 1900s.[16] In the 1800s, it was known as "Persian powder", "Persian pellitory", and "zacherlin". Pyrethrins delay the closure of voltage-gated sodium ion channels in the nerve cells of insects, resulting in repeated and extended nerve firings. This hyperexcitation causes the death of the insect due to loss of motor coordination and paralysis.[17] Resistance to pyrethrin has been bypassed by pairing the insecticide with synthetic synergists such as piperonyl butoxide. Together, these two compounds prevent detoxification in the insect, ensuring insect death.[18] Synergists make pyrethrin more effective, allowing lower doses to be effective. Pyrethrins are effective insecticides because they selectively target insects rather than mammals due to higher insect nerve sensitivity, smaller insect body size, lower mammalian skin absorption, and more efficient mammalian hepatic metabolism.[19]

Although pyrethrin is a potent insecticide, it also functions as an insect repellent at lower concentrations. Observations in food establishments demonstrate that flies are not immediately killed, but are found more often on windowsills or near doorways. This suggests, due to the low dosage applied, that insects are driven to leave the area before dying.[20] Because of their insecticide and insect repellent effect, pyrethrins have been very successful in reducing insect pest populations that affect humans, crops, livestock, and pets, such as ants, spiders, and lice, as well as potentially disease-carrying mosquitoes, fleas, and ticks.

As pyrethrins and pyrethroids are increasingly being used as insecticides, the number of illnesses and injuries associated with exposure to these chemicals is also increasing.[21] However, few cases leading to serious health effects or mortality in humans have occurred, which is why pyrethroids are labeled "low-toxicity" chemicals and are ubiquitous in home-care products.[19] Pyrethrins are widely regarded as better for the environment, and can be harmless if used only in the field with localized sprays, as UV exposure breaks them down into harmless compounds. Additionally, they have little lasting effect on plants, degrading naturally or being degraded by the cooking process.[22]

Specific pest species that have been successfully controlled by pyrethrum include: potato, beet, grape, and six-spotted leafhopper, cabbage looper, celery leaf tier, Say's stink bug, twelve-spotted cucumber beetle, lygus bugs on peaches, grape and flower thrips, and cranberry fruitworm.[23]

Toxicity

Pyrethrins are among the safest insecticides in the market due to their rapid degradation in the environment.

Similarities between the chemistry of pyrethrins and synthetic pyrethroids is that have a similar mode of action and almost identical toxicity to insects (i.e. both pyrethrins and pyrethroids induce a toxic effect within the insect by acting on sodium channels)

Some differences in the chemistry between pyrethrins and synthetic pyrethroids have the result that synthetic pyrethroids have relatively longer environmental persistence than do pyrethrins. Pyrethrins have shorter environmental persistence than synthetic pyrethroids because their chemical structure is more susceptible to the presence of UV light and changes in pH.

It should be noted that they pose a toxic hazard normally not found in commercial pyrethroid to mammals and humans. While pyrethrum extract is composed of 6 esters which are insecticidal, the semi-synthetic pyrethroid is a composed of only one chemically active compound. As a result, the liver has to break down these additional chains first, which allows the toxicity levels to rise within the bloodstream, which can lead to hospitalization and even death.

Therefore the use of pyrethrin in products such as natural insecticides and shampoos increases the likelihood of toxicity in mammals that are exposed. Medical cases have emerged showing fatalities from the use of pyrithrin, prompting many organic farmers to cease use. One medical case of an 11-year-old girl who used shampoo containing only a small amount (0.2% pyrethrin) to wash her dog. Prolonged exposure aggravated her respiratory tract cause by the compound in the shampoo, causing the girl to suffer from an acute asthma attack, from which she died two-and-a-half hours after first exposure to the shampoo.[24]

Recent reports show that accidental poisoning rates have steadily been increasing since the use of natural pyrethrins, prompting some countries to ban their use altogether. In the USA, the use of pyrethrum in home bug sprays (ie. RAID) was banned in 2012 shortly after cases of fatalities in children emerged, prompting an investigation by the FDA. [25]

Chronic pyrethrin toxicity in humans

Chronic toxicity in humans occurs most quickly through respiration into the lungs, or more slowly through absorption through the skin.[26] Allergic reactions may occur after exposure, leading to itching and irritated skin as well as burning sensations.[27] These types of reactions are rare because the allergenic component of pyrethrin in semi-synthetic phritoids has been removed. [28] The metabolite compounds of pyrethrin are less toxic to mammals than their originators, and compounds are either broken down in the liver or gastrointestinal tract, or excreted through feces; no evidence of storage in tissues has been found.

Pyrethrum toxicity

Exposure to pyrethrum, the crude form of pyrethrin,[28] causes harmful health effects for mammals. Pyrethrum also has an allergenic effect that commercial pyrethroids don't have.[28] In mammals, toxic exposure to pyrethrum can lead to tongue and lip numbness, drooling, lethargy, muscle tremors, respiratory failure, vomiting, diarrhea, seizures, paralysis, and death.[26] Unlike dogs, cats lack a liver enzyme that allows for glucuronidation that allows for metabolism of pyrethrin compounds. Exposure to even low doses may lead to toxicity in some cats.[29] Exposure to pyrethrum in high levels in humans may cause symptoms such as asthmatic breathing, sneezing, nasal stuffiness, headache, nausea, loss of coordination, tremors, convulsions, facial flushing, and swelling.[30] A possibility of damage to the immune system exists that leads to a worsening of allergies following toxicity.[26] Infants are unable to resourcefully break down pyrethrum due to the ease of skin penetration, causing similar symptoms as adults, but with an increased risk of death.[31]

Environmental effects

Aquatic habitats

In aquatic settings, toxicity of pyrethrin fluctuates, increasing with rising temperatures, water, and acidity. Run-off after application has become a concern for sediment-dwelling aquatic organisms because pyrethroids can accumulate in these areas.[32] Aquatic life is extremely susceptible to pyrethrin toxicity, and has been documented in species such as the lake trout. Although pyrethrins are quickly metabolized by birds and most mammals, fish and aquatic invertebrates lack the ability to metabolize these compounds, leading to a toxic accumulation of byproducts.[26] To combat the accumulation of pyrethroids in bodies of water, the Environmental Protection Agency (EPA) has introduced two labeling initiatives. The Environmental Hazard and General Labeling for Pyrethroid and Synergized Pyrethrins Non-Agricultural Outdoor Products was revised in 2013 to reduce runoff into bodies of water after use in residential, commercial, institutional, and industrial areas.[33] The Pyrethroid Spray Drift Initiative updated language for labeling all pyrethroid products to be used on agricultural crops.[33] Because of its high toxicity to fish and aquatic invertebrates even at low doses, the EPA recommends alternatives such as pesticide-free methods or alternative chemicals that are less harmful to the surrounding aquatic environment.[34]

Bees

Pyrethrins are applied broadly as nonspecific insecticides. Bees have been shown to be particularly sensitive to pyrethrin, with fatal doses as small as 0.02 micrograms.[1] Due to this sensitivity and pollinator decline, pyrethrins are recommended to be applied at night to avoid typical pollinating hours, and in liquid rather than dust form.[35]

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External links

- International Center for Pyrethrum research (https://web.archive.org/web/20100526030749/http://pyrethrum.org/index.php?p=1_5_Pyrethrum)
- Pyrethrins and Pyrethroids Fact Sheet - National Pesticide Information Center (http://npic.orst.edu/factsheets/pyrethrins.pdf)
- Pyrethrins and pyrethroids on the EXTOXNET (http://extoxnet.orst.edu/pips/pyrethri.htm)
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Categories: Pyrethroids | Plant toxin insecticides | Biological pest control | Pest control | Insecticides

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EXCEL AIR SYSTEMS

COMPANY OVERVIEW

WHO WE ARE //

Excel Air Systems manufactures mission critical air systems for numerous markets such as technology, agriculture, emergency & disaster relief, exploration and event services. Our products are unique as they do not require a certified mechanic. We achieve this by employing skilled technicians to assemble and test each unit while providing extreme versatility utilizing specialty refrigerant grade re-sealable fittings at each connection point. These speciality fittings allow any individual easy connection of any size system eliminating the need to braze, evacuate and charge the systems.

OUR TEAM //

Currently Excel Air Systems offers several product lines ranging in capacities from 24,000 BTU up to 60,000+ BTU. Each product line has been uniquely developed to provide niche requirements with maximum efficiency. The XL Series is best suited for quick roll out where overall cost and portability is required. It's based on a split system design where there will be both an outdoor condenser and indoor air handler connected by a pre-charged refrigerant piping.

The Stealth Series is designed for sound conscious installs as well as tremendous versatility. The compressor is removed from the outdoor condenser and placed in a separate sound deadened box, eliminating all compressor noise from the outdoors and providing simple compressor swap out. The Elite Series was developed to provide the ultimate in environmental control. It's built in mass dehumidification system allows the operator to set and maintain both temperature and humidity 365 days a year. Along with our flag ship products we offer a variety of add-on and stand alone air management products.

Products such as UV Air Purification, Fabric Duct Air Distribution, Odor filtration and controller systems.

Excel Air Systems has extensive experience in providing mission critical air systems to niche markets across North America and believe very strongly in providing the best possible service and support. We look forward to assisting you with your environmental management needs!

CONTACT //

EXCEL AIR SYSTEMS

TOLL FREE » (877) 728-0757
FAX » (877) 728-0757
WEB » WWW.EXCELAIR.CA

2@

closed loop - no air leaves building

STEALTH SERIES

AIR COOLED AIR CONDITIONING

EXCELAIR.CA // TOLL FREE 877.728.0757

PACKAGE CONTENTS //

- Outdoor Condensing Unit
- Indoor Air Handler
- Sound Deadened Box
- 40ft Pre-Charged Refrigerant Piping
- Programmable Thermostat w/ Pre-Wired 15ft Control Wire
- 40ft 18/2 Control Wire
- PVC Drain Trap
- Step By Step Manual & Wiring Diagrams

PLUG AND PLAY //

Plug and Play refrigeration fittings make air cooled units simple to install by yourself; without the need of a costly certified installer. Each refrigeration line is pre-charged with the correct amount of refrigerant for your system. Just thread the fittings together and startup your system! The fittings are re-sealable unlike the generic units on the market, meaning, if you need to take your system out for servicing or relocating your unit no refrigerant is lost and can be simply re-installed.

RECOMMENDED ADD-ON'S //

TOP PLENUM //
Add a plenum to the top of the Air Handler to allow for easy ducting.

FABRIC DUCT //
Lightweight, zero condensation, easy setup, extremely versatile.

DAMPER CONTROL PACKAGE //
Control two rooms with one system using automatic dampers.

UV AIR PURIFIER //
Mount inside Indoor Air Handler and kill harmful spores and bacteria in your room.

CONDENSATE PUMP //
Pump condensation water from unit to drain source 20' away and 15' high.

HEATER //
Easily add-on 5-25kW Heater to inside Air Handler to maintain nighttime temperatures.

STEALTH SERIES //

The Stealth Series Air Cooled Air Conditioning unit is Excel's newest product. It's all in the name; the Stealth Series is based on a Triple Split Design which allows for the compressor to be removed from the Outdoor Condensing Unit and placed in it's own sound deadened box, eliminating all compressor noise from the outdoors! The unit also comes with Plug and Play fittings making installations quick and simple. Available in sizes ranging from 2.0 TON (24,000) to 5.0 TON (60,000 BTU).

For more information contact your local store or visit us online at WWW.EXCELAIR.CA or call toll free (877) 728-0757.

KEY BENEFITS //

- Re-Sealable Plug and Play Fittings
- All fittings are Brass (Rust Free)
- Low Ambient Control on Outdoor Condenser
- Vertical or Horizontal Mounting
- Super Quiet Operation
- Industries best support!

PACKAGE SPECS					DIMENSIONS		SEALED ROOM
TON	BTU'S	AMPS	PWR	WEIGHT	AIR HANDLER	CONDENSER	#LIGHTS (1000W)
2.0	24,000	11.4	208 / 230v*	355lbs	17.5 x 20.5 x 41	24 x 24 x 27	6
3.0	36,000	18.8		395lbs	17.5 x 20.5 x 47.5	24 x 24 x 33	9
4.0	48,000	26		470lbs	24.5 x 20.5 x 55.5	29 x 29 x 30	12
5.0	60,000	31.8		505lbs	24.5 x 20.5 x 55.5	29 x 29 x 36	15

**Based on R12 insulated sealed room at 80F outdoor temperature, burning Co2.*
**Standard unit is 1 Phase, 3 Phase is also available. 460V upon request.*

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XL SERIES

AIR COOLED AIR CONDITIONING

EXCELAIR.CA // TOLL FREE 877.728.0757

PACKAGE CONTENTS //

- Outdoor Condensing Unit
- Indoor Air Handler
- 40ft Pre-Charged Refrigerant Piping
- Programmable Thermostat w/ Pre-Wired 15ft Control Wire
- 40ft 18/2 Control Wire
- PVC Drain Trap
- Step By Step Manual & Wiring Diagrams

PLUG AND PLAY //

Plug and Play refrigeration fittings make air cooled units simple to install by yourself; without the need of a costly certified installer. Each refrigeration line is pre-charged with the correct amount of refrigerant for your system. Just thread the fittings together and startup your system! The fittings are re-sealable unlike the generic units on the market, meaning, if you need to take your system out for servicing or relocating your unit no refrigerant is lost and can be simply reconnected.

RECOMMENDED ADD-ON'S //

TOP PLENUM //
Add a plenum to the top of the Air Handler to allow for easy ducting.

FABRIC DUCT //
Lightweight, zero condensation, easy setup, extremely versatile.

DAMPER CONTROL PACKAGE //
Control two rooms with one system using automatic dampers.

UV AIR PURIFIER //
Mount inside Indoor Air Handler and kill harmful spores and bacteria in your room.

CONDENSATE PUMP //
Pump condensation water from unit to drain source 20' away and 15' high.

HEATER //
Easily add-on 5-25kW Heater to inside Air Handler to maintain nighttime temperatures.

XL SERIES //

The XL Series Air Cooled Air Conditioning unit is Excel's flagship product and is built from a Split System design. The Split System design allows for the Indoor Air Handler to act as the blower inside while the Outdoor Condensing unit rejects indoor heat from the refrigerant to the fresh air outside. This unit comes equipped with Plug and Play fittings making it your best choice for quick and easy installations. The XL Series is available in sizes ranging from 2.0 TON (24,000 BTU) to 5.0 TON (60,000 BTU).

For more information contact your local store or visit us online at WWW.EXCELAIR.CA or call toll free (877) 728-0757.

KEY BENEFITS //

- Re-Sealable Plug and Play Fittings
- All fittings are Brass (Rust Free)
- Low Ambient Control on Outdoor Condenser
- Vertical or Horizontal Mounting
- Industries best support!

PACKAGE SPECS					DIMENSIONS		SEALED ROOM
TON	BTU'S	AMPS	PWR	WEIGHT	AIR HANDLER	CONDENSER	#LIGHTS (1000W)
2.0	24,000	11.4	208 / 230v*	280lbs	17.5 x 20.5 x 41	24 x 24 x 27	6
2.5	30,000	13.8		315lbs	17.5 x 20.5 x 47.5	24 x 24 x 30	7 - 8
3.0	36,000	18.8		320lbs	17.5 x 20.5 x 47.5	24 x 24 x 33	9
3.5	42,000	20.6		380lbs	21 x 20.5 x 51.5	29 x 29 x 27	10 - 11
4.0	48,000	26		395lbs	24.5 x 20.5 x 55.5	29 x 29 x 30	12
5.0	60,000	31.8		430 lbs	24.5 x 20.5 x 55.5	29 x 29 x 36	15

**Based on R12 insulated sealed room at 80F outdoor temperature, burning Co2.*
**Standard unit is 1 Phase, 3 Phase is also available. 460V upon request.*

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ELITE SERIES

MASS DEHUMIDIFICATION & AIR CONDITIONING

EXCELAIR.CA // TOLL FREE 877.728.0757

PACKAGE CONTENTS //

- Outdoor Condensing Unit
- Indoor Air Handler
- Additional Case Coil
- 40ft Pre-Charged Refrigerant Piping
- Wired Dehumidistat
- Programmable Thermostat w/ Pre-Wired 15ft Control Wire
- 40ft 18/2 Control Wire
- PVC Drain Trap
- Step By Step Manual & Wiring Diagrams

PLUG AND PLAY //

Plug and Play refrigeration fittings make air cooled units simple to install by yourself; without the need of a costly certified installer. Each refrigeration line is pre-charged with the correct amount of refrigerant for your system. Just thread the fittings together and start up your system! The fittings are re-sealable unlike the generic units on the market, meaning, if you need to take your system out for servicing or relocating your unit no refrigerant is lost and can be simply re-installed.

RECOMMENDED ADD-ONS //

TOP PLENUM //
Add a plenum to the top of the Air Handler to allow for easy ducting.

FABRIC DUCT //
Lightweight, zero condensation, easy setup, extremely versatile.

UV AIR PURIFIER //
Mount inside Indoor Air Handler and kill harmful spores and bacteria in your room.

CONDENSATE PUMP //
Pump condensation water from unit to drain source 20' away and 15' high.

ELITE SERIES //

The Elite Series is a complete mass dehumidification and air conditioning system. It offers ultimate control of both relative humidity and room temperature. The unit is built on the foundation of our XL Series system. This unit is completely Plug and Play as every connection point comes with re-sealable Plug and Play fittings making it your best choice for quick and easy installations. The Elite Series is designed for individuals who require the very best in environmental control.

For more information contact your local store or visit us online at WWW.EXCELAIR.CA or call toll free (877) 728-0757.

KEY BENEFITS //

- Mass Dehumidification
- Re-Sealable Plug and Play Fittings
- Cold Weather Operation
- Vertical or Horizontal Mounting
- Industries best support!
- Remove 400+ Pints per day!

PACKAGE SPECS					DIMENSIONS		SEALED ROOM	
TON	BTU'S	AMPS	PWR	WEIGHT	AIR HANDLER	CONDENSER	#LIGHTS (1000W)	PINTS
2.0	24,000	11.4	208 / 230v*	365lb	17.5 x 20.5 x 60	24 x 24 x 27	6	160
3.0	36,000	18.8		415lb	17.5 x 20.5 x 74	24 x 24 x 33	9	240
4.0	48,000	26		495lbs	24.5 x 20.5 x 89	29 x 29 x 30	12	320
5.0	60,000	31.8		530lbs	24.5 x 20.5 x 89	29 x 29 x 36	15	400

**Based on R12 insulated sealed room at 80F outdoor temperature, burning Co2.*
**Standard unit is 1 Phase, 3 Phase is also available. 460V upon request.*

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DAMPER CONTROL PACKAGE

MULTI ZONE MOTORIZED DAMPERS

EXCELAIR.CA // TOLL FREE 877.728.0757

PACKAGE CONTENTS //

- 2 Supply Air Motorized Dampers
- 2 Return Air Motorized Dampers
- Top Plenum (Air Handler)
- Bottom Plenum (Air Handler)
- Digital Thermostat w/ 15ft Control Wire
- Installation and Wiring Guide

CONTROL 2 ROOMS WITH 1 SYSTEM //

A Damper Control Package is used to control the temperature in two rooms. Only one room per cycle will be controlled using only one Air Handler. There are two motorized dampers connected to the supply air and two motorized dampers connected to the return air. One set of dampers will be connected to Room 1 (Supply and Return) which will be configured as the "OPEN" state and one set of dampers will be connected to Room 2 (Supply and Return) which will be configured as the "CLOSED" state.

When Room 1 is "ON" both the supply and return dampers will be open and the room's digital thermostat will become energized. When Room 2 is "ON" the motorized dampers from Room 1 will close and Room 2 will open. On the flip Room 1 thermostat will turn off while Room 2 becomes energized.

For more information contact your local store or visit us online at WWW.EXCELAIR.CA or call toll free (877) 728-0757.

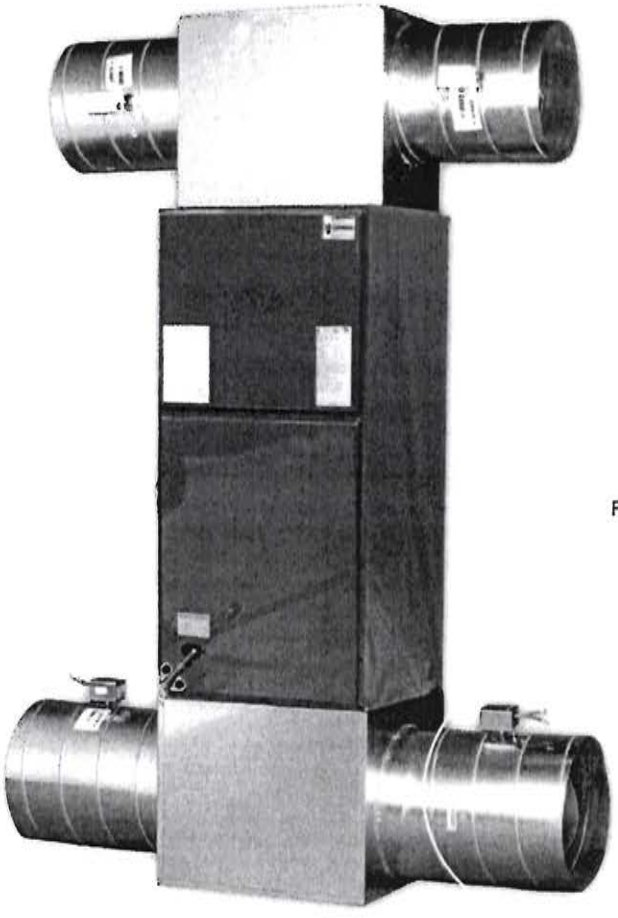
COMPONETS //

- 4 Motorized Dampers
- 2 Plenums (customized upon request)
- 1 Switchover Control (timer plug to allow control of the switchover times)
- 1 Digital Thermostat

Damper Control Package available for all XL Series and Stealth Series packages.

KEY BENEFITS //

- Only 1 Air Handler and Condensing Package needed
- Less expensive than 2 complete systems
- Precision Drive Motors with fail open safety
- Manufacturer Limited Warranty
- Easy Installation
- Industries best support!



FAIL OPEN MOTORIZED DAMPERS

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EXCEL OD

MULTI TRAY CHARCOAL FILTER

EXCELAIR.CA // TOLL FREE 877.728.0757

PACKAGE CONTENTS //

- Bottom box blower with fan
- Top charcoal chassis
- 5 x Charcoal trays
- 1 x Large Pleated Filter
- 1 x Throwaway Pre-Filter
- 55lbs of Custom Charcoal
- Industries best support!

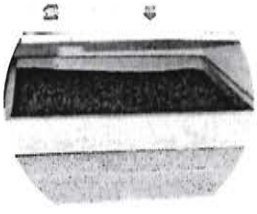
ELIMINATE ODOR //

The Excel Odor Eliminator is perfect for any area where extreme smell is an issue. Unlike other filters this multistage filter will remove the harshest smells, giving you peace of mind. Either place the two piece unit inside your area or easily duct to and from your room, ensuring thorough air circulation past the primary and secondary filters, then through the 5 trays of Custom Charcoal. Plug the bottom box blower into any 115V plug and it will start eliminating odor instantly.

RECOMMENDED ADD-ON'S //

TOP PLENUM //
Add a plenum to the top of the Charcoal Chassis to allow for easy ducting if not placing directly Excel Odor Eliminator in room.

For more information contact your local store or visit us online at WWW.EXCELAIR.CA or call toll free (877) 728-0757.



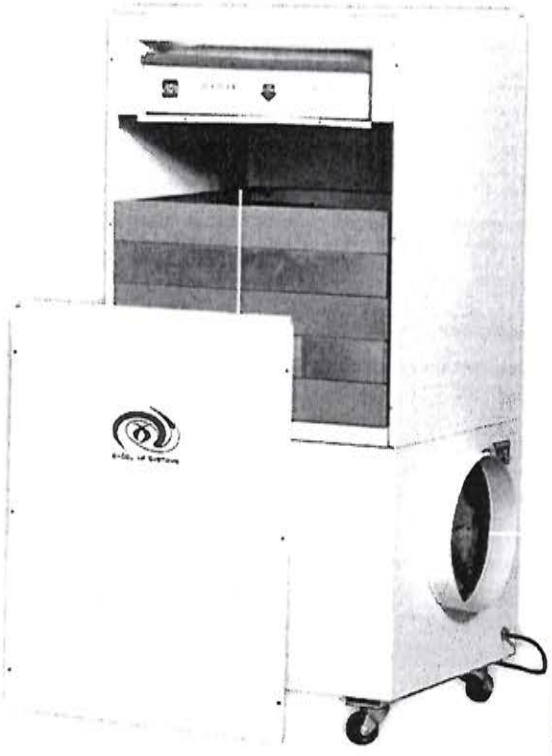
EASY SLIDE TRAYS MAKE CHANGING YOUR CARBON SIMPLE

KEY BENEFITS //

- Removes very harsh smells
- Easy access; 5 charcoal tray
- 2 piece unit (box blower & filters)
- Quiet, insulated blower box
- Will clean areas up to 800sqft
- Can be ducted into desired area

SPECIFICATIONS //

- Dimensions: 50"H x 25"W x 22"D
- Weight without Charcoal: 175lbs
- Charcoal: Custom Shaled Coconut (55lbs)
- Filter 1: 1" High-Strength Dual-Ply Card board Frame, 0.17" W.G., Synthetic Media Composition, 88% Air Arrestance
- Filter 2: 4" Pleated Panel High-Strength Beverage Board Frame, 1" W.G., MERV 11, Synthetic Media Composition, 95-98% Air Arrestance
- Blower: Fasco D701, 115V 60Hz, 1/5-1/2 HP, 1075 RPM 2 Speed, 3.3A Low Speed - 7.7A High Speed



2000 CFM BLOWER FOR MORE AIR TURNS

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FABRIC DUCT
AIR DISTRIBUTION SYSTEM

EXCELAIR.CA // TOLL FREE 877.728.0757

PACKAGE CONTENTS //

- 15' High quality polyester fabric ducting
- Integrated hanging clips
- 40' mounting cable
- (2) Tensioners (5) Lock-Nuts (3) Eyebolts
- Plenum Mounting Strap
- Zip-On end cap

FABRIC DUCT //

Ducting has never been easier with Excel Air Systems' new fabric air duct. Simply run the included tension cable from one end of the room to the other and attach the 15' section of fabric duct to the cable using the integrated clips. Using the supplied lock-down strap attach one end of the fabric duct to your top plenum on your Indoor Air Handler. It's that easy! Additional duct lengths can be added using the ducts' built-in zipper system. The kit comes as a complete package with everything you'll need to setup your duct.

The fabric duct is made of high quality polyester fabric. It's engineered for the specific CFM requirements on Excel Air System packages. Air is evenly distributed along the entire length of the duct through **laser cut precision air holes**, ensuring no hot and cold spots within your space. It's permeable (2 cfm per sq ft) fabric rejects the buildup of dirt and debris from sitting on top of the ducting also making it impossible for any condensation to form.

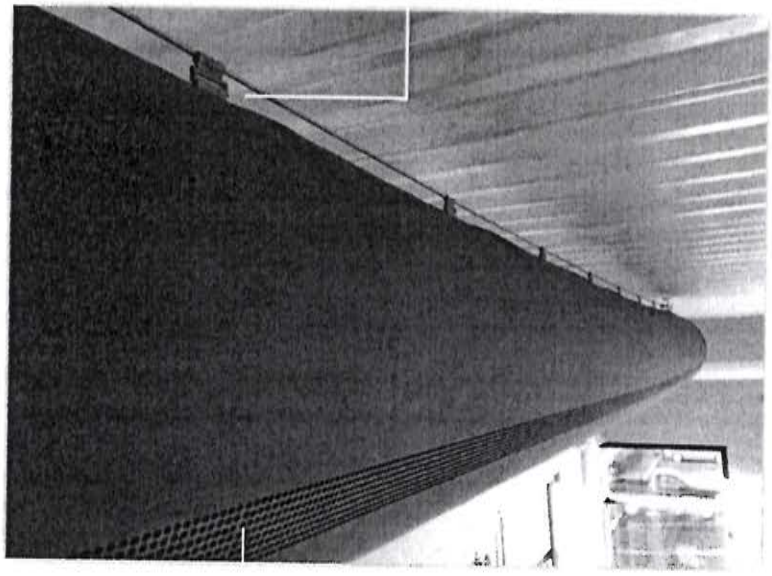
When time, efficiency and overall design is considered there is no better solution for distributing air!

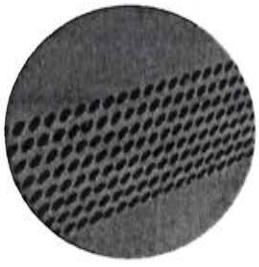
For more information contact your local store or visit us online at WWW.EXCELAIR.CA or call toll free (877) 728-0757.

KEY BENEFITS //

- Extremely lightweight
- Quick setup
- Even airflow
- Customizable
- Machine Washable

QUICK CLIP EASILY SNAPS ONTO AIRCRAFT CABLE





LASER CUT HOLES ALLOW FOR PRECISE AIR DISTRIBUTION

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EXCEL UV

EASY MOUNT ULTRAVIOLET BULB

EXCELAIR.CA // TOLL FREE 877.728.0757

KEY BENEFITS //

- Destroy mold, bacteria and spores
- Ozone Free
- Easily mounted to plenum or inside Indoor Air Handler
- 24v extremely low power consumption
- Water Resistant
- Scrubs your entire room volume of air hundreds of times per day!

EXCEL UV AIR PURIFIER //

The Excel UV Air Purifier is designed to change the molecular structure of the contaminants through DNA Sterilization and Photo-Oxidation using UV-C (254nm), destroying both biological and chemical contaminants. It will kill mold, bacteria and viruses! Simply mount inside air handler or ductwork and easily wire the power supply to your existing 24v control board in your air handler.

SPECIFICATIONS //

- 100% 254nm Spectrum, Germicidal UV-C Bulb, Shielded Quartz Hot Filament, 18-32 VAC 60Hz, 0.68A 16VA

TOP PLENUM

AIR HANDLER ACCESSORY

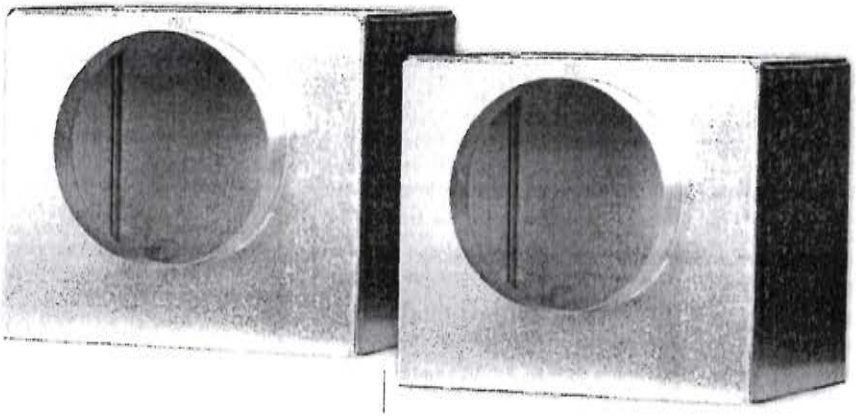
KEY BENEFITS //

- Made specifically for Excel Indoor Air Handlers
- Easily mount round ducting to your unit
- Remove turbulence from air
- Highly Recommended!

EXCEL TOP PLENUM //

Adding a plenum to your XL Series or Stealth Series system will greatly improve ease of installation and Indoor Air Handler efficiency. The box sits over the blower allowing to take the turbulence out of the air and send it down your ducting at a constant flow rate.

For more information contact your local store or visit us online at WWW.EXCELAIR.CA or call toll free (877) 728-0757.



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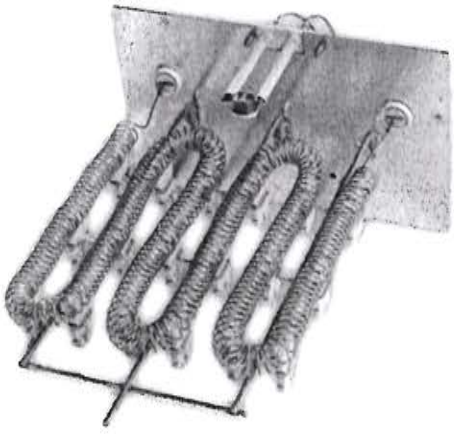
5KW HEATER ADD-ON

5000 WATT SLIDE IN HEATER

EXCELAIR.CA // TOLL FREE 877.728.0757

5000 WATT SLIDE IN HEATER //

The 5kW Heater is a great addition to any XL Series or Stealth Series Indoor Air Handler. Maintain nighttime or winter temperatures with ease. Just slide the heater into an access door already made specifically for the heater. Plug the plastic connector onto the control board and use your existing power to the Indoor Air Handler. Next is to set your heating point on your digital thermostat that came with the existing system then let it do its job!



KEY BENEFITS //

- Add-on at anytime; slides into Excel Indoor Air Handler
- Draws power from Indoor Air Handler
- Great for maintaining nighttime temperatures
- Controlled by digital thermostat that comes with the unit!

CONDEN

CONDENSATION REJECTION UNIT

CONDENSATION PUMP //

This pump allows condensation from the Indoor Air Handler to flow into the pump, then when the internal float raises the condensate water can be pumped a distance of 20' along with the capability of 15' vertically to a drain source. Comes with a 6' electrical cord and 20' 3/8 tubing. Available in 120/230V applications.

For more information contact your local store or visit us online at WWW.EXCELAIR.CA or call toll free (877) 728-0757.

BENEFITS //

- Automatic operation
- Collect condensation from multiple sources
- Pump condensation anywhere

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ACCESSORIES

RECOMMENDED PRODUCTS

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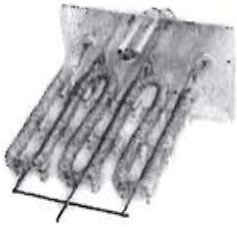
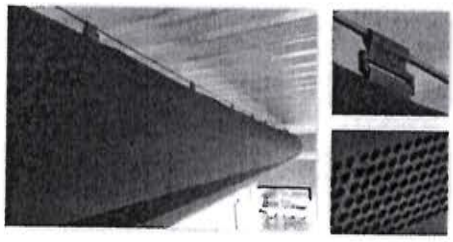
EXCEL UV AIR PURIFIER //

The Excel UV Air Purifier is designed to change the molecular structure of the contaminants through DNA Sterilization and Photo-Oxidation using UV-C (254nm), destroying both biological and chemical contaminants. It will kill mold, bacteria and viruses! Simply mount inside air handler or ductwork and easily wire the power supply to your existing 24v control board in your air handler.



HEATER (AIR HANDLER) //

Add a 5kW Heater into any Excel Air Systems Air Handler. Maintain nighttime temperatures with this easy to install electric heater. Install into the Air Handler and simply set your desired heating temperature.

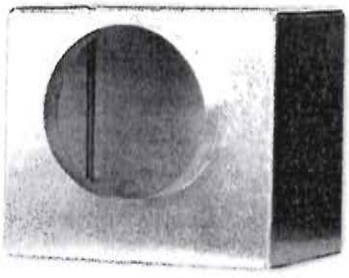


FABRIC DUCT //

High quality polyester fabric ducting. Easily run cable support system and attach the duct to the cable using integrated clips. Extremely lightweight and durable, zero condensation fabric and machine washable. Additional ducting can be added on using simple zipper system.

CONDENSATE PUMP //

This pump allows condensation from the Indoor Air Handler to flow into the pump, then when the internal float raises the condensate water can be pumped a distance of 20' along with the capability of 15' vertically to a drain source. Comes with a 6' electrical cord and 20' 3/8 tubing. Available in 120/230V applications.



TOP PLENUM //

Adding a plenum to your XL or Stealth Series system will greatly improve ease of installation an Indoor Air Handler efficiency. The box sits over the blower allowing to take the turbulence out of the air and send it at a constant flow rate down the length of your ducting.

For more information contact your local store or visit us online at WWW.EXCELAIR.CA or call toll free (877) 728-0757.

FLEX LINESET //

Flexible line sets are now a possibility. No more kinking or bending soft copper! Engineered with a polyamide sleeve, flexible aluminum barrier and weather resistant rubber cover this line set allowing for easy unit connections in any situation. Connecting your indoor and outdoor units has never been easier, just roll up the lines and take them with you. Rated for both R22 and R410A refrigerants.

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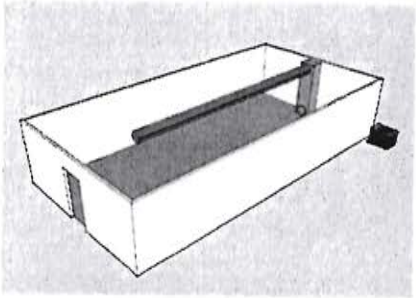
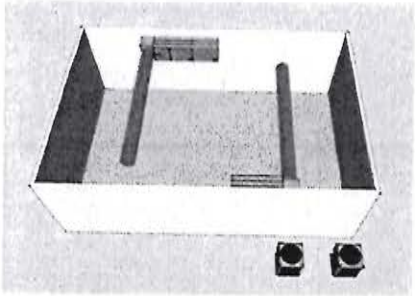


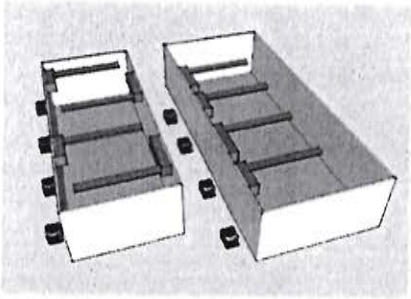
40' 15 LIGHT ROOM //

This layout shows our system installed in a 40' long room. We are showing how the Indoor Air Handler can be installed at one end of the room followed by 2 x Fabric Duct Kits connected together to provide proper airflow throughout the space. Each kit is 15' and can be easily zipped together to give 30' continuous run.



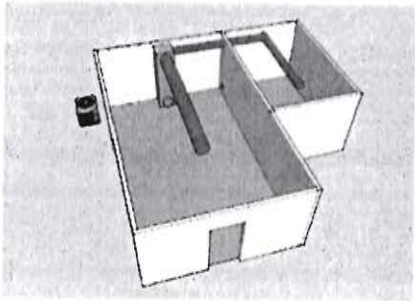
THE PERFECT ROOM //

Two 5 Ton systems make for the perfect 30k room. One XL Series unit to cool 15k and one Elite Series unit to cool the other 15k during the day and dehumidify the whole room at night.



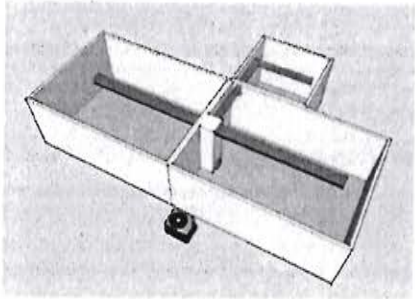
LARGE FACILITY //

In this example this is a large facility with 60kW worth of heat load which will require 4 x 5 Ton systems. We're also showing two different air handler positions to accommodate space planning. The left room shows the air handlers and fabric duct alternating positions on both sides of the room where the right room shows all the air handlers and fabric duct originating from the same side.



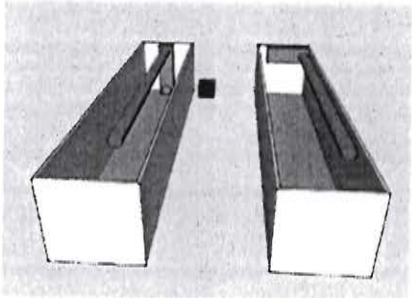
SECONDARY ROOM //

This design shows a main room that has a constant heat load for 12 hours and a secondary room with an 18 hour heat load. We can achieve this by running a duct from the main room and have a 10" motorized damper with extra thermostat to control the 18 hour room.



DAMPER PACKAGE WITH SECONDARY ROOM //

This room design shows the Dual Room Damper Package installed with an additional 10" motorized damper controlled by an additional thermostat to control an 18 hour heat load. You must oversize your a/c slightly to accommodate the other room.



40' CONTAINER //

This room design shows a typical 40' shipping container. We're showing two different hanging options for the Indoor Air Handler, vertical and horizontal. This provides extra flexibility depending on your space requirements. We have 2 x Fabric Kits to give us 30' of ducting to evenly disperse the air throughout the room.

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EXCEL AIR SYSTEMS

SPECIFICATION GRID // EXCEL AIR SYSTEMS

TONNAGE	2.0	2.5	3.0	3.5	4.0	5.0
COOLING CAPACITY	6,000W	7,000 - 8,000W	9,000W	10,000 - 11,000W	12,000W	15,000W
BTU'S	24,000	30,000	36,000	42,000	48,000	60,000
SYSTEM AMPS	11.4	13.8	18.8	20.6	26	31.8
POWER	208/230V*	208/230V*	208/230V*	208/230V*	208/230V*	208/230V*
AIR HANDLER	17.5 X 20.5 X 41	17.5 x 20.5 x 47.5	17.5 x 20.5 x 47.5	21 x 20.5 x 51.5	24.5 x 20.5 x 55.5	24.5 x 20.5 x 55.5
AMPERAGE	1.4	2.3	2.6	2.8	2.9	4.1
SUPPLY AIR	16.5 x 16.5 x 18	16.5 x 16.5 x 18	16.5 x 16.5 x 18	20 x 18 x 18	24.5 x 18 x 18	24.5 x 18 x 18
VERTICAL RETURN AIR	17.5 x 20.5 x 18	17.5 x 20.5 x 18	17.5 x 20.5 x 18	21 x 20.5 x 18	24.5 x 20.5 x 18	24.5 x 20.5 x 18
HORIZONTAL RETURN AIR	16.5 x 19.5 x 18	16.5 x 19.5 x 18	16.5 x 19.5 x 18	20 x 19.5 x 18	23.5 x 19.5 x 18	23.5 x 19.5 x 18
CONDENSER	24 x 24 x 27	24 x 24 x 30	24 x 24 x 33	29 x 29 x 27	29 x 29 x 30	29 x 29 x 36
AMPERAGE	10.0	11.5	16.2	17.8	23.1	27.7
MIN. CIRCUIT AMPACITY	12.3	14.2	19.9	21.9	28.5	34.3
XL PACKAGE WEIGHT	280	315	320	380	395	430
STEALTH PACKAGE WEIGHT	355		395		470	505

**All measurements are in inches (Width x Depth x Height). Based on R12 insulated sealed room at 80F outdoor temperature, burning Co2.*
**Standard unit is 1 Phase, 3 Phase is also available. 460V upon request.*

MISSION CRITICAL AIR SYSTEMS
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XL SERIES //

The XL Series is best suited for quick roll out where overall cost and portability is required. It's based on a split system design where there will be both an Outdoor Condenser and Indoor Air handler connected by a pre-charged refrigerant piping. This system comes as a complete package along with re-sealable plug and play fittings at every connection point.

PRICE //

» 2.0 ton = **$4,810**
» 2.5 ton = **$5,070**
» 3.0 ton = **$5,460**
» 3.5 ton = **$5,850**
» 4.0 ton = **$6,240**
» 5.0 ton = **$6,720**
flex lineset **+$1,040**

ELITE SERIES //

The Elite Series was developed to provide the ultimate in environmental control. It's built in mass dehumidification system allows the operator to set and maintain both temperature and humidity 365 days a year. This system comes as a complete package along with re-sealable plug and play fittings at every connection point.

PRICE //

» 2.0 ton = **$8,710**
» 3.0 ton = **$9,750**
» 4.0 ton = **$10,660**
» 5.0 ton = **$11,570**

STEALTH SERIES //

The Stealth Series is designed for sound conscious installs as well as tremendous versatility. The compressor is removed from the outdoor condenser and placed into a separate sound deadened box, eliminating all compressor noise from the outdoors and providing simple compressor swap out and overall system weight distribution. This system comes as a complete package along with re-sealable plug and play fittings at every connection point.

PRICE //

» 2.0 ton = **$6,500**
» 3.0 ton = **$7,150**
» 4.0 ton = **$7,995**
» 5.0 ton = **$8,450**
flex lineset **+$1,430**

XL & STEALTH PKG CONTENTS //

» Outdoor Condensing Unit
» Indoor Air Handler
» 40ft Pre-Charged Refrigerant Piping
» Digital Thermostat w/ Pre-Wired 15ft Control Wire
» 40ft 18/2 Control Wire
» PVC Drain Trap
» Step By Step Manual & Wiring Diagrams

NOTE: Stealth Series comes with additional Pre-Charged Piping to make the Triple Split Connection.

ACCESSORIES //

» Top Plenum = **$130**
» Excel UV Air Purifier = **$390**
» Heater 5kW (Air Handler) = **$260**
» Nest WIFI Thermostat = **$390**
» Standard Thermostat = **$130**
» XL Flex Lineset = **$1,495**
» Stealth Flex Lineset = **$1,885**
» Condensate Pump = **$130**
» Hanging Kit = **$130**
» Excel Water Guardian = **$235**

For more information contact your local store or visit us online at WWW.EXCELAIR.CA or call toll free (877) 728-0757.

DAMPER CONTROL PACKAGE //

Control 2 rooms with 1 system. Package comes complete with motorized Supply Air and Return Air Dampers, Top/Bottom Plenums, Switchover Control Box, Digital Thermostat and Installation Manual. **$2,210**

EXCEL ODOR ELIMINATOR //

Charcoal Enclosure, 5 trays, Large Primary Filter, 55lbs Custom Charcoal and Box Blower. **$2,400**

FABRIC DUCT //

15' Fabric Duct. Extremely lightweight, zero condensation fabric, machine washable. **$650**

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Integra Realty Resources
Seattle

Appraisal of Real Property

Vital Statistics Building
Industrial Property
5441 Commercial Blvd
Juneau, Juneau Borough County, Alaska 99801
Client Reference:

Prepared For:
Granite Mountain Properties LLC

Effective Date of the Appraisal:
May 22, 2017

Report Format:
Appraisal Report – Standard Format

IRR - Seattle
File Number: 154-2017-0211

Vital Statistics Building
5441 Commercial Blvd
Juneau, Alaska

Integra Realty Resources
Seattle

600 University Street
Suite 310
Seattle, WA 98101

T 206-436-1190
F 206-770-7247
www.irr.com

May 22, 2017

Carl Zaruba
Granite Mountain Properties LLC
PO Box 34315
Juneau, AK 99803

SUBJECT: Market Value Appraisal
Vital Statistics Building
5441 Commercial Blvd
Juneau, Juneau Borough County, Alaska 99801
IRR - Seattle File No. 154-2017-0211

Dear Mr. Zaruba:

Integra Realty Resources – Seattle is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value of the leased fee interest in the property in its as is condition, as well as subject to a hypothetical condition in order to determine potential damages. This appraisal employs the "before and after" methodology to determine the The client for the assignment is Granite Mountain Properties LLC, and the intended use is for litigation.

This appraisal is limited in scope because an applicable approach to value is not being used. The client requested that we use only the most applicable approach to value and exclude other approaches that we might consider to be appropriate valuation methods for the subject. We determined that, notwithstanding the exclusion of an applicable approach, the scope of work performed is sufficient to develop a credible opinion of value given the intended use.

The subject is an existing special purpose office property containing 9,553 square feet of rentable area and 10,360 square feet of gross building area. The improvements were constructed in 2002 and are 100% leased as of the effective appraisal date. The site area is 0.58 acres or 25,452 square feet.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusion	**AS IS**		
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Leased Fee	May 22, 2017	$2,500,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. It is assumed that there have been no physical changes to the subject property since our inspection on November 1, 2016, other than ordinary physical deterioration and that all building systems are functional.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The second valuation scenario is based on the hypothetical condition that a marijuana cultivation operation is located at 1758 Anka Street, Juneau, adjacent to the east of the subject property.

Our opinion of value, in the hypothetical scenario, is as follows:

Value Conclusion	**HYPOTHETICAL**		
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Leased Fee	May 22, 2017	$1,375,000 to $1,720,000

The estimated damages are calculated as follows:

$2,500,000 (As Is Value) - $1,375,000 = $1,125,000

$2,500,000 (As Is Value) - $1,720,000 = $ 780,000

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates,

such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Seattle

Kim M. Wold
Certified General Real Estate Appraiser
Alaska Certificate # 52
Telephone: 206-436-1182
Email: kwold@irr.com

Table of Contents

Summary of Salient Facts and Conclusions **1**

Quality Assurance **2**

General Information **3**
Identification of Subject 3
Sale History 3
Pending Transactions 3
Purpose of the Appraisal 3
Definition of Market Value 3
Definition of Property Rights Appraised 4
Intended Use and User 4
Applicable Requirements 4
Report Format 4
Prior Services 4
Scope of Work 5

Economic Analysis **7**

Property Analysis **18**
Land Description and Analysis 18
Improvements Description and Analysis 22
Real Estate Taxes 30
Highest and Best Use 31

Valuation **33**
Valuation Methodology 33
Income Capitalization Approach As Is 35
Leased Status of Property 35
Stabilized Income and Expenses 36
Direct Capitalization Analysis 38
Reconciliation and Conclusion of Value As Is 39

Income Approach Subject to Hypothetical Condition **39**
Reconciliation and Conclusion of Value Subject to Hypothetical Condition 44
Damage Calculation 44
Exposure Time 45
Marketing Period 45
Certification 46

Assumptions and Limiting Conditions **48**

Addenda
A. Appraiser Qualifications

Summary of Salient Facts and Conclusions

Property Name	Vital Statistics Building	
Address	5441 Commercial Blvd Juneau, Juneau Borough County, Alaska 99801	
Property Type	Industrial - Other	
Owner of Record	Granite Mountain Properties, LLC	
Tax ID	5B1201300430	
Land Area	0.58 acres; 25,452 SF	
Gross Building Area	10,360 SF	
Rentable Area	9,553 SF	
Percent Leased	100%	
Year Built	2002	
Zoning Designation	I, Industrial	
Highest and Best Use - As if Vacant	Office use	
Highest and Best Use - As Improved	Continued special purpose office use	
Exposure Time; Marketing Period	six months; six months	
Effective Date of the Appraisal	May 22, 2017	
Date of the Report	May 22, 2017	
Property Interest Appraised	Leased Fee	
Market Value Indications		
Cost Approach	Not Used	
Sales Comparison Approach	Not Used	
Income Capitalization Approach	$2,500,000	($261.70/SF)
Market Value Conclusion	$2,500,000	($261.70/SF)

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Granite Mountain Properties LLC may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. It is assumed that there have been no physical changes to the subject property since our inspection on November 1, 2016, other than ordinary physical deterioration and that all building systems are functional.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The second valuation scenario is based on the hypothetical condition that a marijuana cultivation operation is located at 1758 Anka Street, Juneau, adjacent to the east of the subject property.

Quality Assurance

Delivering superior value is a top priority at IRR and we place a premium on feedback from our valued clients. By learning more about your experience with IRR, we will be better able to serve your needs – to enhance our products, service offerings, and client communications.

Attached is a short survey applicable to this appraisal report and the service that you received. Please take a few minutes to share your experience of IRR with us. Your feedback will be reviewed by our Quality Control team. If you desire a follow-up telephone call, please provide your contact information and a member of our Quality Control team will contact you.

Access the online survey here: quality.irr.com.

Thank you in advance for assisting us with this important endeavor. Please feel free to contact your Local Office using the contact information provided within the letter of transmittal or our Quality Control team at quality@irr.com, with any questions or suggestions you may have.

General Information

Identification of Subject

The subject is an existing special purpose office property containing 9,553 square feet of rentable area and 10,360 square feet of gross building area. The improvements were constructed in 2002 and are 100% leased as of the effective appraisal date. The site area is 0.58 acres or 25,452 square feet. The property's legal description is:

> Lot 3A, Glacier Industrial Subdivision No. 2, Plat No. 93-19, Juneau Recording District, First Judicial District, State of Alaska.

Property Identification	
Property Name	Vital Statistics Building
Address	5441 Commercial Blvd
	Juneau, Alaska 99801
Tax ID	5B1201300430
Owner of Record	Granite Mountain Properties, LLC

Sale History

There was a change of control of Granite Mountain Properties, LLC. The acquisition included multiple real estate assets, personal property, and cash. The acquisition price was undisclosed. The LLC sale was necessary due to the death of the 100 percent owner/member and the desire of the estate executor to settle estate matters. All liabilities were assumed by the buyer. The date of the sale was August 22, 2016; however, closing took place in December 2016. The properties/LLC interests were not listed and received limited market exposure.

Pending Transactions

To the best of our knowledge, there are no pending transactions involving the subject property.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the market value of the leased fee interest in the property's as is and subject to the hypothetical condition stated as of the effective date of the appraisal, May 22, 2017. As requested, we also estimate the damages expressed in a range of expected outcomes. The date of the report is May 22, 2017. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

The Alaska Supreme Court defines Market value as:

"The price in (terms of) money that the property could be sold for on the open market under fair conditions between an owner willing to sell and a buyer willing to buy, with a reasonable time allowed

to find a purchaser. State v. 7.026 Acres, Sup. St. Op. No. 601, 466 P2d 364, 365; (1970). The opinion further reads, in part: "The highest and most profitable use for which the property is adaptable is to be considered, to the extent that the prospect of demand for such use affects the market value while the property is privately held. Fair market value is normally based on a parcel's fee simple value."

Definition of Property Rights Appraised

Leased fee interest is defined as, "The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary rights when the lease expires."

Leasehold interest is defined as, "The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease."

Lease is defined as: "A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent."

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

Intended Use and User

The intended use of the appraisal is for litigation. The client and intended user is Granite Mountain Properties LLC. The appraisal is not intended for any other use or user. No party or parties other than Granite Mountain Properties LLC may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property

management, brokerage, or any other services. We have previously appraised the property that is the subject of this report for another client within the three-year period immediately preceding acceptance of this assignment.

Scope of Work

The client requested that we use only the most applicable approach to value and exclude other approaches that we might consider to be appropriate valuation methods for the subject. To determine the appropriate scope of work, we considered the client's request in relation to the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Applicable	Not Utilized
Sales Comparison Approach	Applicable	Not Utilized
Income Capitalization Approach	Applicable	Utilized

This assignment is considered to be limited in scope because an approach to value that usually would be applicable to the subject is not used.

The **income capitalization** approach is the most reliable valuation method for the subject due to the following:

- The probable buyer of the subject would base a purchase price decision primarily on the income generating potential of the property and an anticipated rate of return.
- Sufficient market data regarding income, expenses, and rates of return, is available for analysis.

The **sales comparison** approach is not applicable to the subject because:

- This approach does not reflect the primary analysis undertaken by a typical investor-purchaser.

The **cost approach** is not applicable to the subject considering the following:

- The age of the property makes estimates of accrued depreciation very subjective.
- There is a limited land market, making estimates of underlying land value subjective.
- This approach is not typically used by market participants, except for new properties.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

Kim M. Wold conducted an interior and exterior inspection of the property on November 1, 2016.

Economic Analysis

Southeast Alaska Map

Juneau Area Analysis

Juneau is located on the mainland of Southeast Alaska, opposite Douglas Island. Juneau is geographically centered in the heart of the Inside Passage, along Gastineau Channel and lies 900 miles northwest of Seattle, and 577 miles southeast of Anchorage. The city and borough encompasses 2,716.7 square miles and 538.3 square miles of water, with a year round climate that is termed mild maritime. Juneau is the both the economic as well as transportation hub of northern Southeast Alaska, providing supplies, services, and transportation to the outlying communities in the region. Juneau International Airport has an ILS equipped runway serviced by Alaska Airlines and Delta Airlines. Several commuter and air taxi airlines operate from the airport as well.

Juneau was originally a fish camp for Tlingit Indians. Gold was discovered in approximately 1900 and preceded the establishment of the City of Juneau. The State Capitol was transferred from Sitka to Juneau in 1906, while Alaska was US Territory.

The population of Juneau was 33,277 as of 2016. There are an estimated 12,342 households (average household size of 2.66 persons). The percentage of residents in the 15 to 34-year old group is declining at a rate of approximately 1 percent per year, while the 45 to 64 year old age group is increasing at a rate of 3 percent per year. Currently the median age is 35.3 years. The 2014 median household income is $81,490.

The economy of Juneau is broad based; however, federal, state, and local government employs approximately 41 percent of the workers in the community (7,000 jobs all totaled), and because of the high concentration of public sector employment, the job market is viewed as being relatively stable. State employment, which is largely supported by oil revenues, remains the largest portion of Juneau's economic base.

Tourism is the largest private sector employer, providing over 2,200 jobs and contributing over $636 million counting all income from sources associated with the cruise industry. The tourism industry is recovering after a significant drop in 2010. Per capita tourist spending is slowly recovering. The number of cruise passengers visiting Juneau over the past five years is shown as follows:

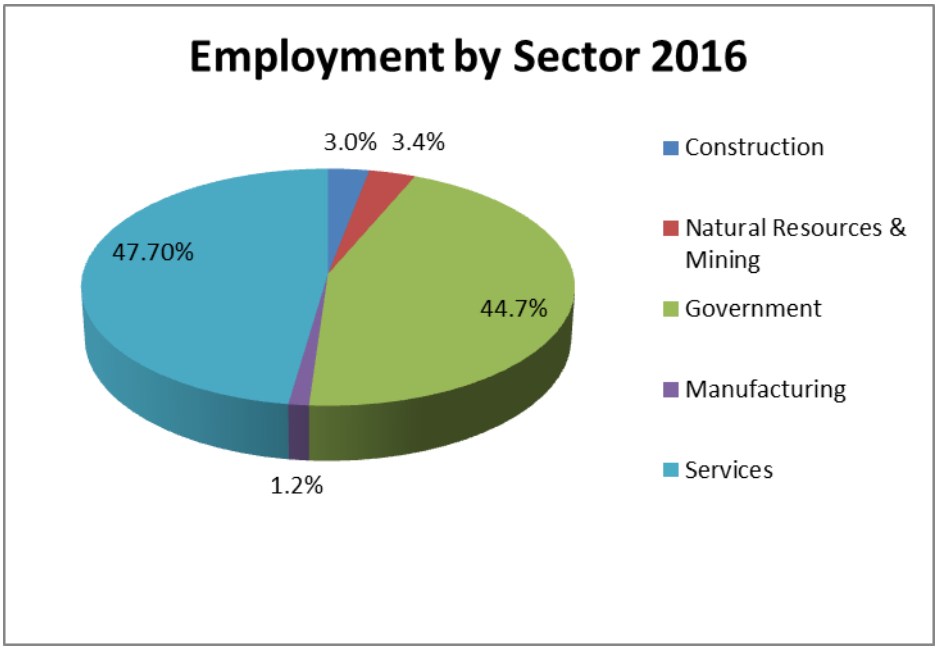
2009	-	1,030,000
2010	-	879,310
2011	-	875,947
2012	-	937,000
2013	-	995,000
2014	-	953,000
2015	-	982,500

2016 - 1,015,100

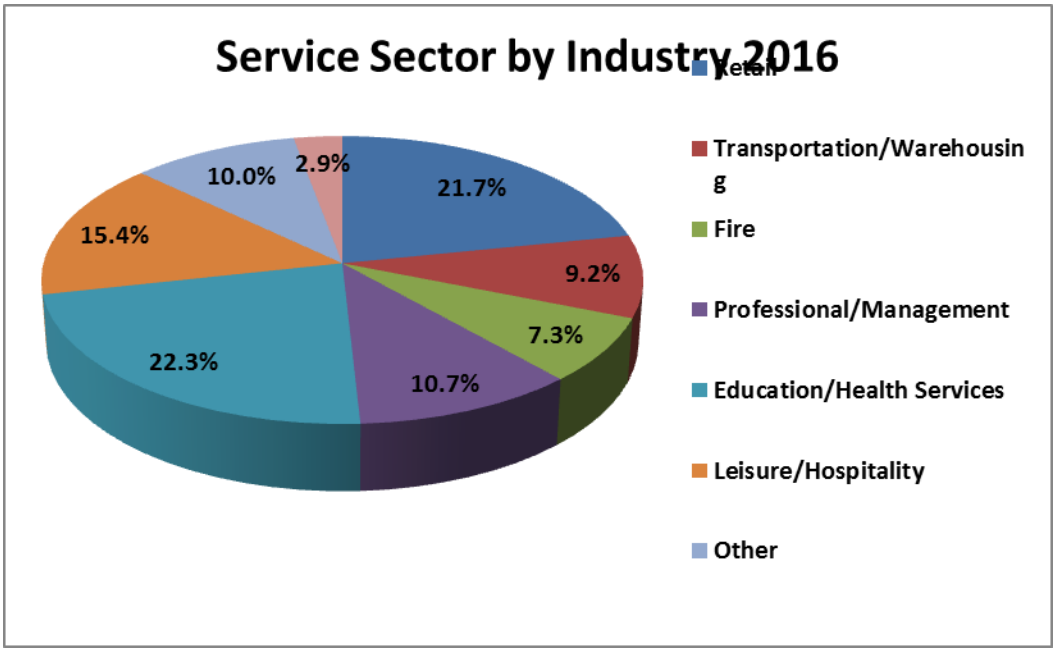
The decline in 2014 was attributed to a reduction in capacity. The passenger count for the 2016 season exceeded 1,000,000. Per capita spending by cruise passengers in 2015 injected at least $169,000,000 into the Juneau economy.

Commercial fishing and mining play lesser roles in the Juneau economy.

The percentage of employment by sector in Juneau in 2016 is shown on the following chart:



A breakdown of the Services sector is shown on the following chart:



The Greens Creek Mine, which is located west of Juneau, is the largest silver producer in the United States. Employment, housing, and support services for Greens Creek Mine are provided in Juneau. The Kensington Mine began production in July 2010. Currently, the Greens Creek Mine and the Kensington Mine have approximately 330 and 200 employees, respectively. They have a combined payroll in excess of $50 million. The average salary is $91,000 per miner.

Juneau is well established as a service, supply, and medical center for the northern regions of Southeast Alaska. Bartlett Hospital is a regional medical facility equipped with state of the art diagnostic equipment. Big box retail establishments include Fred Meyer, Costco, and Home Depot.

The fishing industry helps to diversify the local economy. DIPAC operates a salmon hatchery in Juneau. The hatchery employs 40 persons and supports 650 jobs in the region and $25 million in labor income. Taku Smokeries and Alaska Glacier Seafoods have processing plants in Juneau. There are several custom, value added processing plants, including Alaska Seafood and Northern Keta. The primary species harvested are the five species of salmon, shrimp, crab, halibut, and black cod. Salmon prices have experienced a large year over year decline due to the effect of large harvests and the appreciating US Dollar.

The residential housing market has an inadequate supply of single family residential units. Condominiums and apartments are more balanced as far as supply and demand. Recent sales are indicating some appreciation. Several apartment projects are currently under construction or are in the planning stages. The apartment market may become over built if

all of the proposed projects get built. The City/Borough of Juneau is evaluating developing a residential subdivision at a cost exceeding $100,000 per lot.

The Alaska Housing Finance Corporation's 2015 Rent Survey indicated the following average adjusted apartment rental and vacancy rates.

Apt Type	Rental Amt	Vacancy Rate
Efficiency	$ 892	2.7%
One Bedroom	$1,072	1.8%
Two Bedroom	$1,330	3.6%
Three Bedroom	$1,836	6.2%

The overall apartment vacancy factor in 2016 was 3.3 percent, based on a survey sample of 1,062 units. The 2016 report did not provide specific rental and vacancy rates by unit type. At a rate this low, vacancy can be attributed solely to periodic unit turnover, and for all intents and purposes there are few, if any, vacant units in Juneau. The average overall rent increase was 2.9 percent. Excluding the efficiency units, the increase was 3.7 percent. There have been several multi-family apartment and condominium complexes completed in the past 36 months and more units are under construction or planned. The market for apartment rentals is more balanced, which may lead to limited rent increases over the near term.

The commercial real estate market is stable, with supply and demand seemingly in balance. Pricing appears firm, but there appears to be lessee recognition of downside risk of the state's economy. Rent concessions may start to appear in 2017. There is increased vacancy in the office and retail sectors outside the tourist district. Industrial rentals are generally stable.

Confidence toward the near-term future of Juneau's residential sector of the economy in 2017 has declined due to concerns over the state budget.

Developers have single family, condominium, and apartment projects under construction. Most of these projects are targeted toward the lower and median price markets. Upper income oriented homes are slow to sell. Commercial construction is slow with a low level of speculative development. Development of new residential subdivisions is commencing. The inventory of residential homes on the market is at a multi-year high.

Due to projected declines in oil revenues to the State of Alaska, some market participants are taking a more cautious view of the economy and future real estate price expectations. Relative to the real estate market, residential and commercial mortgage funding is available for owner occupied and leased buildings. Speculative construction or investor purchases

would be more difficult to finance. The universe of local potential purchasers in the current economic environment is somewhat reduced.

There are a number of public projects programmed over the next several years which are subject to state and/or federal funding. The Juneau Ports and Harbor Department has programmed $71,000,000 in various projects over the next several years.

The near term economic performance in Juneau is stable. Mining will continue to be a stabilizing factor over the long-term, although a decline in gold and silver prices could become problematic due to high fixed costs of extraction. The near-term outlook for the tourism industry is for a moderate increase in passenger numbers and per capita spending.

A significant factor that could adversely affect the future local economy is the fallout of the decline in oil prices. The State of Alaska is projecting a 2017 budget deficit. The 2016 budget included a sharp decrease in the capital improvement budget, which will adversely affect construction employment two to three years forward. Some state employment is also at risk if state revenues continue at depressed levels.

Some of the negative consequences of lower oil prices may be offset by lower energy costs to consumers as well as energy intensive industries.

Commodity prices over the past two years have been in a steep decline. Gold and silver have bottomed and have begun a recovery. Oil prices fell from approximately $100 per barrel to below $30 per barrel for West Texas Intermediate Crude. Brent Crude has also fallen in a similar percentage as compared to West Texas Intermediate.

There has been recent stabilization in the $50 to $55 per barrel range; however, there has been a recent fall below $50 per barrel. Some analysts are projecting a recovery to about $70 per barrel later in 2017 and a slow climb thereafter. Other analysts are expecting continued lower oil prices over the next one to two years.

Oil and metal prices hold the potential to have a significant effect on the Juneau economy and real estate market. Oil's economic influence is both direct and indirect. Oil production on the North Slope is not expected to see any significant cuts in production as a result of lower prices. The Alaska Journal of Commerce notes that most of the Alaska oil producers have capital budgets planned for two or three years in advance and that many of these projects are multi-year. Therefore, there is a high probability that these capital projects will continue as scheduled. Any production decline or loss of employment on the North Slope would have very limited impact on the Juneau economy.

Of greater concern is the loss of corporate income tax and royalty income declines that are anticipated to impact the State of Alaska capital and operating budgets. The State has budget reserves that can be utilized to offset the budget deficit over the near term; however, if oil prices remain depressed over a period of several years, there would likely be a restructuring required of state and local government operations. Utilizing some of the permanent fund or implementation of new taxes is being considered to bridge the budget gap.

Juneau has significant state employment as Alaska's capitol. Therefore, any across the board cuts would likely result in the loss of some state employment in Juneau. If this were to occur, it is expected there would be secondary employment losses in the private sector as a result of the multiplier effect of the base industry.

As long as the price of oil doesn't remain depressed for more than a year, any potential damage to the Juneau economy may remain contained.

The governor suspended spending on the Juneau access project. The road is expected to cost $574,000,000; however, as the Juneau Empire points out, the state only needs to provide $9,000,000 more in project funding, with the balance to be paid by the federal government. To date, the Juneau access project has had little impact on the Juneau economy and its cancelation would not be harmful to the local economy, but rather simply eliminates the future impacts of a large capital project.

Another significant factor affecting the private sector economy is the strengthening of the US Dollar relative to other major foreign currencies. While a strong dollar is viewed as a sign of national economic health, the strong dollar is a negative to US export industries. Juneau has three private sector industries that are significantly affected by commodity prices and the strong dollar. These industries are the fishing, tourism, and mining sectors.

The tourism industry is one that is viewed to largely benefit from the decline in oil prices. US citizens constitute the largest portion of the Alaska tourism industry and should benefit with increased disposable income due to lower gasoline costs relating to transportation and lower costs of heating and cooling residences. The cruise ship industry is heavily energy dependent and should see lower operating costs with the potential to extend port times by increased sailing speed between ports. Tour operators will also benefit by lower energy costs. The probable result is increased discretionary spending by tourists in the Juneau market.
The strong US Dollar may have a negative effect on foreign tourists visiting Alaska; however, the majority of foreign visitors are wealthy and would therefore have less impact than travelers on tight budgets.

The seafood processing and fishing industries have a significant portion of their operating budget dedicated to energy costs. Fishermen and tender operators in the Juneau economy

will enjoy the benefits of lower energy costs. The processing industry is stressed, which has brought about recent sales and pending transactions, including Inlet Producers, Icicle Seafoods, Copper River Seafoods, Pacific Star Seafoods, and Salamatof Seafoods by well capitalized companies.

The industry is adversely affected by low prices, strong US Dollar, increased minimum wages, visa restrictions, Russian embargo, etc. Low returns of pink and silver salmon in 2016 have led to increased pricing to fishermen and processors, but a shortage of product in the marketplace. Great Pacific Seafoods has filed for bankruptcy liquidation.

The mining industry is also energy intensive. The Greens Creek and Kensington mines are profitable at depressed levels of commodity and precious metals. The benefits of lower cost energy should significantly lower production costs. It is uncertain what the long-term effect of the US Dollar would have on precious metal prices.

According to Wall Street analysts, the business and consumer benefits of lower energy prices relative to transportation and heating costs will increase profits and consumer discretionary spending, and would mitigate State of Alaska employment layoffs, should they occur.

There are expected to be small changes in supply and demand within the Juneau real estate marketplace. There is very limited speculative construction in the commercial or industrial sectors that has taken place in Juneau over the past five years. There is speculative construction in the residential sector, which could trigger a downturn. There is average risk of an over-supply in the real estate market, unless a black swan event was to occur.

Energy costs constitute one of the single greatest operating expenses of multifamily, commercial, and industrial properties in Juneau. Properties which are dependent on oil heat will see at least a near term benefit from lower oil prices.

Economists are projecting a 1.5 to 2 percent GDP growth for 2017, which should provide support for the US economy; however, the Trump administration expects GDP growth in the 3 to 4 percent range. The 1st Quarter GDP was only 0.7 percent. Therefore, significant increases in the subsequent quarters will be necessary to meet the administration projection. While most economists are predicting increased interest rates in the US, Federal Reserve interest rate policies are bearish after a 25 basis point increase in December 2016. The US Treasury security and bond yield curve is beginning to flatten. Coupled with low growth in Europe and Japan, and a slowing China economy, the interest rate trend could go in either direction. It is noted that several European countries and Japan have adopted negative interest rate policies. The US may have to adopt a similar policy to maintain a competitive balance on interest rates, international trade, and currencies.

If commercial mortgage rates fall, then equity dividend rates would increase if overall capitalization rates remain stable. The opposite would also be true, which would make commercial real estate less attractive to investors.

Banks operating in Alaska are significantly under lent relative to deposits. This is creating significant competition, which is benefitting borrowers through lower rates and more favorable terms.

Relative to the subject property, there is insufficient market activity to discern any major concern on the part of market participants.

Surrounding Area

Location

The subject is located in the Lemon Creek neighborhood of Juneau, on the southeasterly side of Egan Drive.

Access and Linkages

Primary highway access to the area is via the Egan Expressway and Glacier Highway. Public transportation is provided by Capital Transit and provides access to all areas of Juneau. Overall, the primary mode of transportation in the area is the automobile. Transportation linkages are good. Vehicular exposure of the subject has been continuously enhanced as development of the neighborhood continues and the Juneau population grows.

Demand Generators

Major employers in the neighborhood include Costco and Home Depot. There is also a Wells Fargo Bank branch, Reliable Sheet Metal, Juneau Truss Manufacturing, Tyler Equipment Rental, Harry's Plumbing, ALE&P office, Juneau Police Department, Alaska Department of Transportation facilities, Alaska Brewing Company, and a multitude of smaller retail, shop, office, and warehouse structures located in the neighborhood.

Land Use

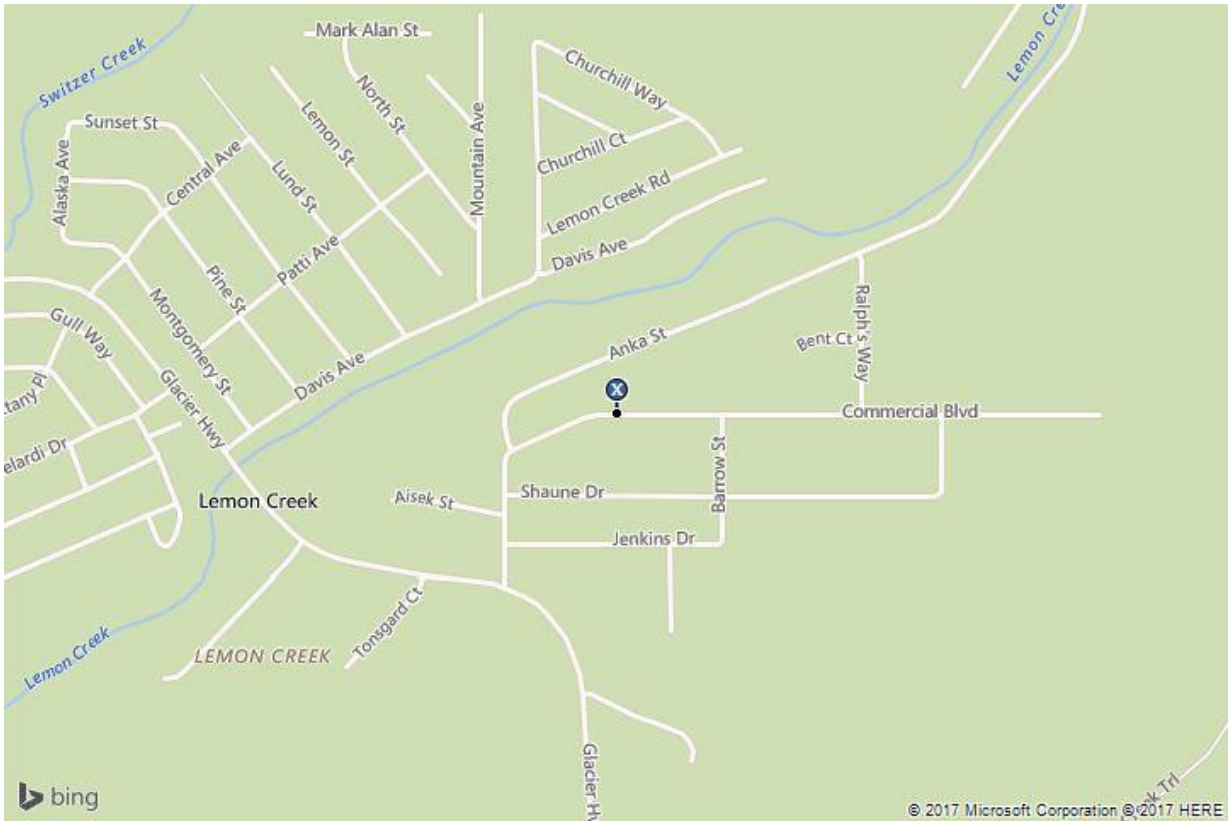
The area is urban in character and approximately 90% developed.

Land uses immediately surrounding the subject are predominantly industrial or commercial with typical ages of building improvements ranging from four to 30 years. Property types adjoining the subject include a brewery, mini storage, distribution warehouse, and vocational technical school.

Outlook and Conclusions

The area is in the mid stage of its life cycle. Recent development activity has been very limited due to the lack of vacant land and economic uncertainty. We anticipate that property values will remain stable in the near future.

Surrounding Area Map



Property Analysis

Land Description and Analysis

Land Description	
Land Area	0.58 acres; 25,452 SF
Source of Land Area	Past Appraisal
Primary Street Frontage	Commercial Blvd - 150 feet
Shape	Rectangular
Corner	No
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed.
Ground Stability	No problems reported or observed
Flood Area Panel Number	02110C1551D
Date	August 19, 2013
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Zoning; Other Regulations	
Zoning Jurisdiction	City/Borough of Juneau
Zoning Designation	I
Description	Industrial
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	A wide variety of commercial and industrial development, including warehousing, office, retail, and commercial use
Other Land Use Regulations	None
Utilities	
Service	Provider
Water	City/Borough of Juneau
Sewer	City/Borough of Juneau
Electricity	Alaska Power & Light
Natural Gas	N/A
Local Phone	GCI

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

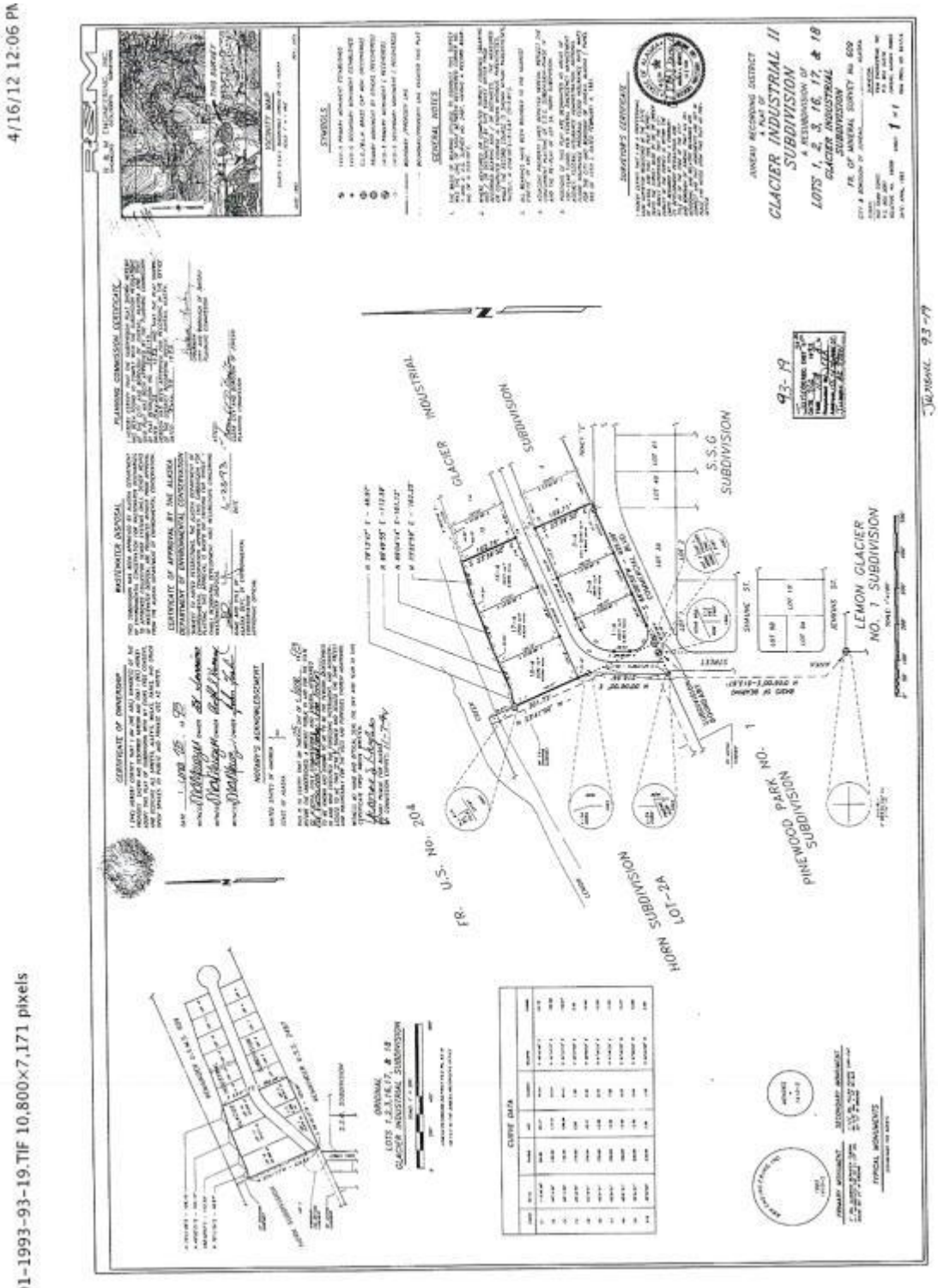
Easements, Encroachments and Restrictions

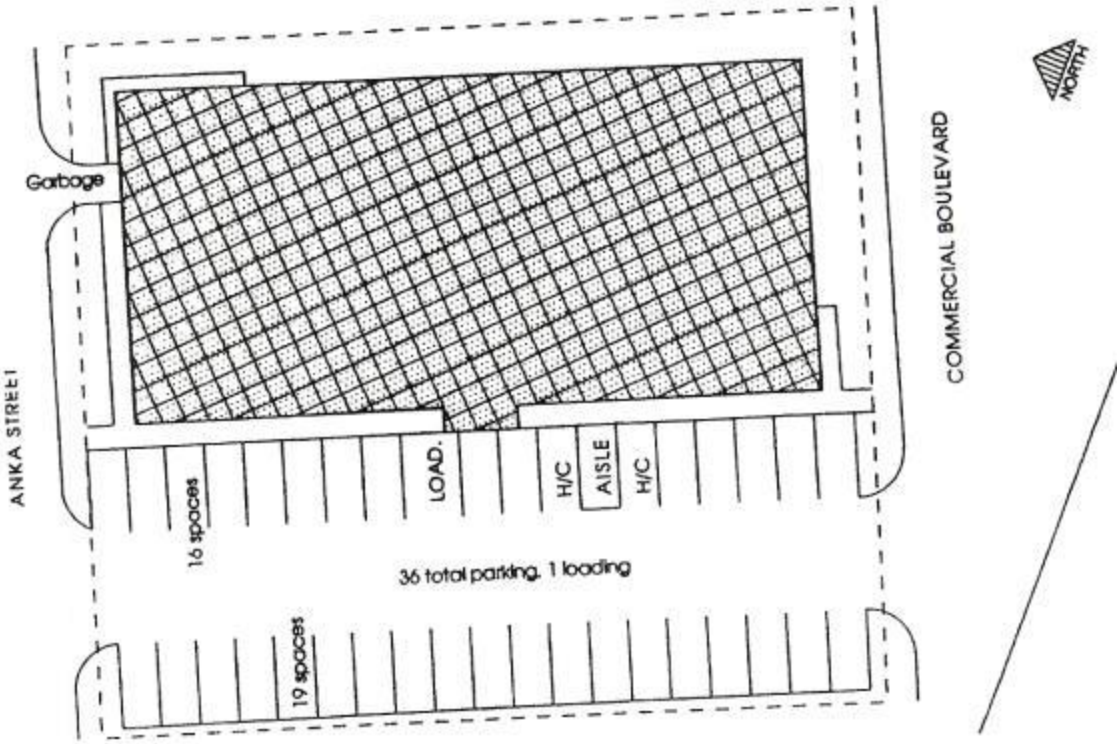
Based upon a review of the deed and property survey, there do not appear to be any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Land Analysis

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. We are not aware of any other particular restrictions on development.

Plat Map and Site Plan




ANKA STREET
Garbage
16 spaces
LOAD.
H/C
AISLE
H/C
36 total parking, 1 loading
19 spaces
COMMERCIAL BOULEVARD
NORTH

Site Plan

Improvements Description and Analysis

The subject is an existing special purpose office property containing 9,553 square feet of rentable area and 10,360 square feet of gross building area. The improvements were constructed in 2002 and are 100% leased as of the effective appraisal date. The site area is 0.58 acres or 25,452 square feet.

Improvements Description	
Name of Property	Vital Statistics Building
General Property Type	Industrial
Property Sub Type	Other
Competitive Property Class	A-
Occupancy Type	Single Tenant
Percent Leased	100%
Number of Tenants	1
Tenant Size Range (SF)	9,553 - 9,553
Number of Buildings	1
Stories	1
Construction Class	C
Construction Type	Masonry
LEED Certification	–
Construction Quality	Good
Condition	Good
Gross Building Area (SF)	10,360
Rentable Area (SF)	9,553
Percent Office Space	92%
Land Area (SF)	25,452
Floor Area Ratio (RA/Land SF)	0.38
Floor Area Ratio (GBA/Land SF)	0.41
Building Area Source	Past Appraisal
Year Built	2002
Year Renovated	–
Actual Age (Yrs.)	15
Estimated Effective Age (Yrs.)	12
Estimated Economic Life (Yrs.)	40
Remaining Economic Life (Yrs.)	28
Number of Parking Spaces	37
Source of Parking Count	Lease
Parking Type	Open
Parking Spaces/1,000 SF GBA	3.57

Construction Details	
Foundation	Concrete
Structural Frame	Concrete Block
Exterior Walls	Block
Roof	Membrane
Clear Height in Feet	10'
Column Spacing in Feet	-
Dock Height Loading Doors	–
Drive-in Doors	–
HVAC	Central
Elevators	–
Sprinklers	Dry

Improvements Analysis

Quality and Condition

The quality and condition of the subject is considered to be superior to that of competing properties. This is a build-to-suit special purpose office building designed to accommodate the needs of the State of Alaska, Bureau of Vital Statistics.

Functional Utility

The improvements appear to be adequately suited to their current use, and there do not appear to be any significant items of functional obsolescence. The building has an arctic entry with two single man door entries leading to a reception area. There are four additional single man door entries located on the north, south, and east sides of the building. The interior is partitioned into work areas with open office areas, private offices, conference room, break room, mechanical room, storage areas, and built in vault. There are ADA compliant restrooms.

Deferred Maintenance

No deferred maintenance is apparent from our inspection.

ADA Compliance

Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not expert in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

Hazardous Substances

An environmental assessment report was not provided for review and environmental issues are beyond our scope of expertise. No hazardous substances were observed during our inspection of the improvements; however, we are not qualified to detect such substances. Unless otherwise stated, we assume no hazardous conditions exist on or near the subject.

Specific Features

The building is Class C construction with concrete block perimeter walls. Three sides of the building are covered with brick veneer . The rear of the building has enameled steel siding. The exterior wall

height is 12 feet. There is a mansard roof design with a membrane roof covering. The walls are insulated with R-21 insulation. The roof is a concrete structure with R-40 rigid insulation. The building is designed to accommodate a second floor. The entry doors are anodized aluminum with thermal pane glazing. Windows are anodized aluminum with thermal pane glazing.

The interior floors are primarily carpeted with some sheet vinyl and painted concrete surfaces. There is rubber tile in the arctic entry vestibule. The walls are finished with plaster. The ceiling is suspended acoustical tile.

The break room has 6 feet of under counter cabinetry and laminate countertops. There is also 8 feet of upper cabinetry. The cabinets are European style with laminate facing.

The bathrooms have wall hung basins and toilets with ceramic tile wainscot. There are ADA compliant grab bars and turning radii within the restrooms. There is also a janitor's sink. Water and sewer service appears to have good functional utility.

The building is equipped with a fire sprinkler system. There is also an FM 200 fire suppression system for the vault that sucks all of the oxygen out of the vault should there be a fire.

The electrical service is 110/220. There is a 50 gallon electric hot water heater. There is a 25 kW Generac Power Systems gen set which provides backup power to the building. Interior lighting is predominantly recessed fluorescent fixtures. There is adequate switching and receptacles.

The building is equipped with a redundant HVAC system. There are two Weil-McLane oil fired boilers that alternate operation time. There are two Trane air handling systems. There is also a Day oil storage tank that can feed the boiler or gen set during extremely cold weather. There is an underground concrete vault that contains a double wall oil tank.

Personal Property

No personal property items were observed that would have any material contribution to market value.

Conclusion of Improvements Analysis

In comparison to other competitive properties in the region, the subject improvements are rated as follows:

Improvements Ratings	
Visibility/Exposure	Average
Design and Appearance	Above Average
Age/Condition	Above Average
% Office	Above Average
Loading Docks	
Clear ceiling heights	Average
% Sprinklered	Above Average
Landscaping	Average

Overall, the quality, condition, and functional utility of the improvements are above average for their age and location. The improvements have special purpose attributes, including a large vault. There are redundant mechanical systems, specialized fire protection, and backup power generation, as required by the State of Alaska in their lease RFP.

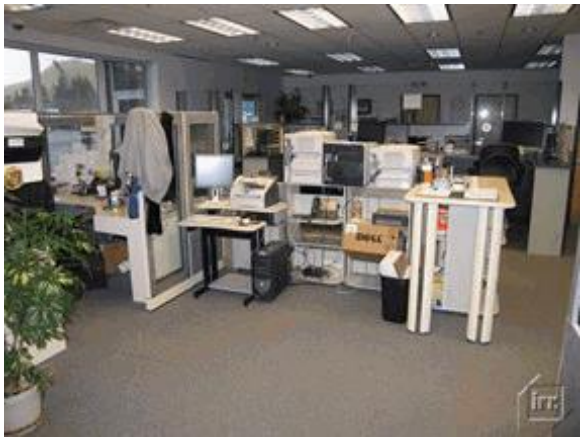
Subject property viewing northeast

Subject property viewing east

Rear and side elevations of the improvements

Rear and side elevations of the improvements

Interior office area


Interior office area

Break room

Conference room

Lobby area

Typical restroom

Dual air handler system

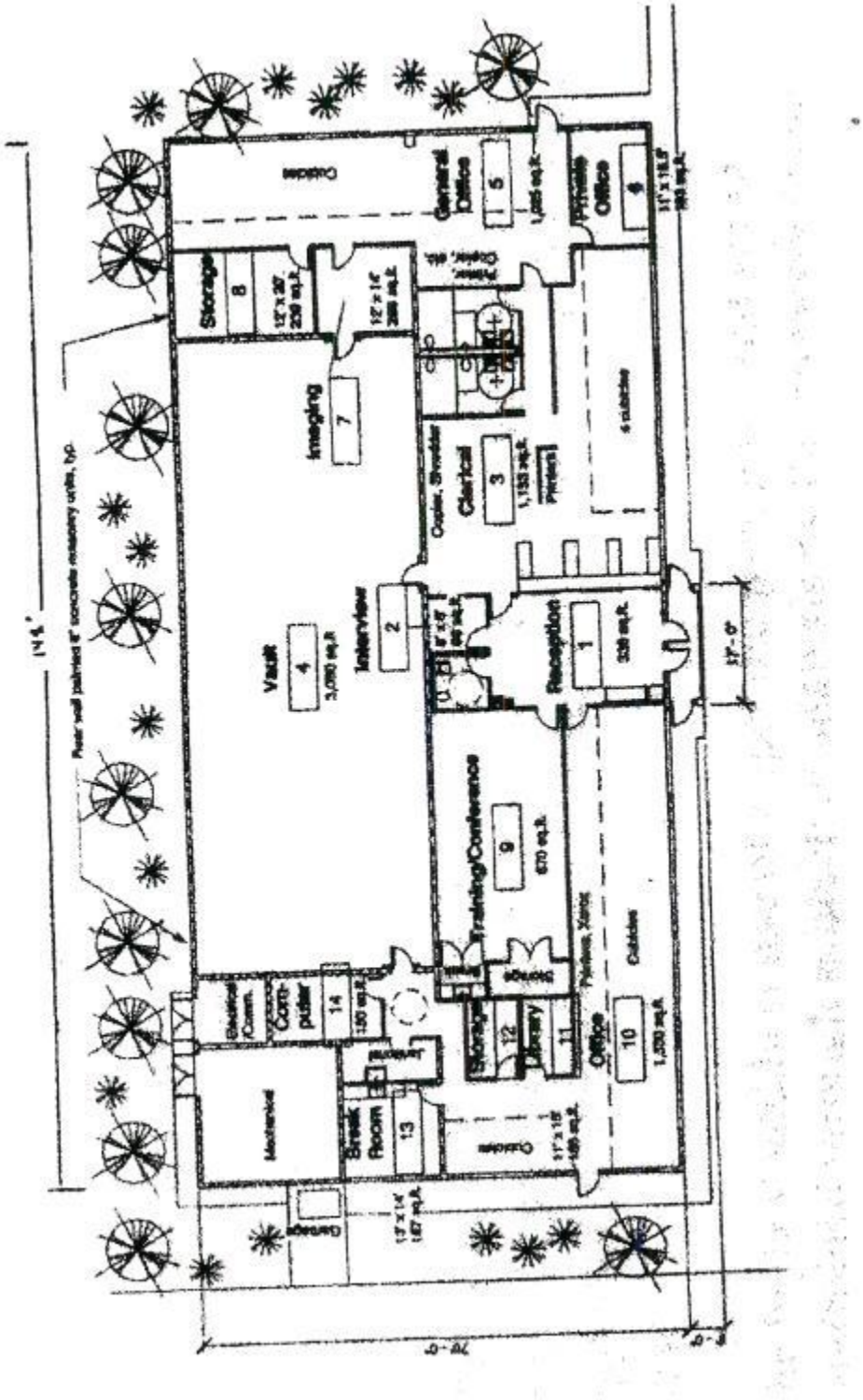
Back up power generation

Day oil tank

Dual boiler system

Vault entry

Floor Plan


Storage
8
Imaging
7
Vault
4
Interview
2
Clerical
3
Reception
1
Training/Conference
9
Mechanical
Break Room
13
Computer
14
Storage
12
Library
11
Office
10
General Office
5
Private Office
6
Garage
14'-6"
17'-0"

Real Estate Taxes

Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2016

	Assessed Value			Taxes and Assessments			
					Ad Valorem		
Tax ID	Land	Improvements	Total	Tax Rate	Taxes	Direct Assessments	Total
5B1201300430	$381,800	$1,650,500	$2,032,300	1.066000%	$21,664	$0	$21,664

Based on the concluded market value of the subject, the assessed value appears reasonable.

Highest and Best Use

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as if vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As If Vacant

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The site is zoned I, Industrial. Permitted uses include a wide variety of commercial and industrial development, including warehousing, office, retail, and commercial use. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only office or retail uses are given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on our analysis of the market, it appears to be financially feasible to develop office and retail uses in the subject's area on a build-to-suit basis for owner/user occupancy.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than office or retail uses. Accordingly, it is our opinion that an office or retail development is the maximally productive use of the property.

Conclusion

Development of the site for office or retail use on a build-to-suit basis is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

As Improved

The subject site is developed with a special purpose office building, constructed to suit the needs of the State of Alaska, Bureau of Vital Statistics, which is consistent with the highest and best use of the site as if it were vacant.

The existing improvements are currently leased to the State of Alaska and produce a significant positive cash flow that we expect will continue. Therefore, a continuation of this use is concluded to be financially feasible.

Based on our analysis, there does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved property exceeds the value of the site, as if vacant. For these reasons, continued special purpose office use is concluded to be maximally productive and the highest and best use of the property as improved in both the as is and hypothetical scenarios.

Most Probable Buyer

Taking into account the size and characteristics of the property and its occupancy, the likely buyer is an investor.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

This approach, while applicable to the subject valuation, is not necessary in order to produce a credible estimate of value, and has not been developed.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

This approach is applicable, but has not been developed due to the lack of comparable sales data that would reflect the change, if any, in the property value subject to the hypothetical condition. Therefore, this approach has not been developed.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

This approach values the property in the as is physical and economic condition, as well as subject to the hypothetical condition. Any difference in the two value estimates would be indicative of either appreciation or diminution of the subject property's value.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Applicable	Not Utilized
Sales Comparison Approach	Applicable	Not Utilized
Income Capitalization Approach	Applicable	Utilized

Income Capitalization Approach As Is

The income capitalization approach converts anticipated economic benefits of owning real property into a value estimate through capitalization. The steps taken to apply the income capitalization approach are:

- Analyze the revenue potential of the property.
- Consider appropriate allowances for vacancy, collection loss, and operating expenses.
- Calculate net operating income by deducting vacancy, collection loss, and operating expenses from potential income.
- Apply the most appropriate capitalization method, either direct capitalization or discounted cash flow analysis, or both, to convert anticipated net income to an indication of value.

The two most common capitalization methods are direct capitalization and discounted cash flow analysis. In direct capitalization, a single year's expected income is divided by an appropriate capitalization rate to arrive at a value indication. In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate.

In this analysis, we use only direct capitalization because investors in this property type typically rely on this method.

Leased Status of Property

The property is leased to a single tenant on a long-term lease. Pertinent lease terms are shown below.

Lease Synopsis						
Lessor	Granite Mountain Properties, LLC					
Lessee	State of AK					
Leased SF	9,553					
Lease Type	Full Service					
Tenant Paid Expenses	None					
Owner Paid Expenses	All					
Commencement	10/25/2002					
Expiration	10/21/2022					
Cancellation Clause						
Term	240	months	or	20.0	years	
Remaining Term	65	months	or	5.4	years	
Base Rent & Escalations		Period	Months	PSF/Yr		Annual Rent
	Base Term	10/25/2002 - 10/24/2013	1 - 132	$31.35		$299,460
	Base Term	10/25/2013 -	133 - N/A	$35.38		$337,951
Current Rent						$337,951
Projected Rent - First Forecast Year						$337,951

Rental Analysis Factors

The following elements of comparison are considered in our analysis of the comparable rentals.

Rental Analysis Factors	
Expense Structure	Division of expense responsibilities between landlord and tenants.
Conditions of Lease	Extraordinary motivations of either landlord or tenant to complete the transaction.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on rent; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Difference in rental rates that is often attributable to variation in sizes of leased space.
Building Quality	Construction quality, amenities, market appeal, functional utility.
Age/Condition	Effective age; physical condition.
Economic Characteristics	Variations in rental rate attributable to such factors as free rent or other concessions, pattern of rent changes over lease term, or tenant improvement allowances.

The contract rent is utilized as this approach values the leased fee interest, which, in essence, means subject to the existing lease.

Stabilized Income and Expenses

Potential Gross Rent

Potential gross rent is based on contract rent from the existing lease in place. Income is projected for the 12-month period following the effective date of the appraisal. In the following table, we compare potential income from contract rent to potential income from market rent.

Potential Gross Rent

		Potential Rent at Contract (1)		Potential Rent at Market		Contract as % of
Space Type	SF	Annual	$/SF/Yr	$/SF/Yr	Annual	Market
Office	9,553	$337,951	$35.38	$35.38	$337,985	100%
Total Subject	9,553	$337,951	$35.38	$35.38	$337,985	100%

[1] Contract rent for leased space; vacant space at market.

Vacancy & Collection Loss

Based on the credit quality of the tenant, the length of the lease, and practices of typical investors in the market, no deductions for vacancy and collection loss are appropriate.

Effective Gross Income

Effective gross income is calculated at $337,951, or $35.38 per square foot.

Expenses

Expenses to be incurred in the operation of the subject property include licenses and fees, utilities, telephone, garbage, electricity, alarm monitoring, heat, repairs and maintenance, lot maintenance, professional fees, janitorial services, office expenses, insurance, and real estate taxes. These expenses were provided by the property owner for the calendar year 2016 and are used in the income capitalization analysis.

Management expense is estimated at 5 percent of effective gross income.

Replacement reserves are necessary for the orderly replacement of short-life building components. A replacement reserve of 4 percent of effective gross income is estimated for the subject property.

Net Operating Income

Based on the preceding income and expense projections, stabilized net operating income is estimated at $206,138, or $21.58 per square foot.

Capitalization Rate Selection

A capitalization rate is used to convert net income into an indication of value. Selection of an appropriate capitalization rate considers the future income pattern of the property and investment risk associated with ownership.

Band of Investment Method					
Mortgage/Equity Assumptions					
Loan To Value Ratio	75%				
Interest Rate	4.75%				
Amortization (Years)	20				
Mortgage Constant	0.0775				
Equity Ratio	25%				
Equity Dividend Rate	10.00%				
Weighted Average of Mortgage and Equity Requirements					
Mortgage Requirement	75%	x	7.75%	=	5.82%
Equity Requirement	25%	x	10.00%	=	2.50%
Indicated Capitalization Rate					**8.32%**
Rounded					**8.30%**

Direct Capitalization Analysis

Net operating income is divided by the capitalization rate to indicate the stabilized value of the subject. Valuation of the subject by direct capitalization is shown in the following table.

Direct Capitalization Analysis							
		SF	Space Type	Rent Applied	$/SF	Annual	$/SF Bldg.
Income							
Base Rent							
Potential Gross Rent		9,553				$337,951	$35.38
						$0	$0.00
						$0	$0.00
Vacancy & Collection Loss	0.00%					$0	$0.00
Expense Reimbursements						$0	$0.00
Effective Gross Income						$337,951	$35.38
Expenses							
Total Expenses						$131,813	$13.80
Net Operating Income						**$206,138**	**$21.58**
Capitalization Rate						8.30%	
Indicated Value						$2,483,585	$259.98
Rounded						**$2,500,000**	**$261.70**

Reconciliation and Conclusion of Value As Is

The values indicated by our analyses are as follows:

Summary of Value Indications	
Cost Approach	Not Used
Sales Comparison Approach	Not Used
Income Capitalization Approach	$2,500,000
Reconciled	$2,500,000

The income capitalization approach is the only approach used because it is the most reliable valuation method for the subject. The sales comparison and cost approaches are not used, even though one of these approaches usually would be an appropriate valuation method for the subject. Notwithstanding, we conclude that the scope of work performed is sufficient to develop a credible opinion of value given the intended use of the appraisal. Our value opinion follows.

Value Conclusion	AS IS		
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Leased Fee	May 22, 2017	$2,500,000

Income Approach Subject to Hypothetical Condition

The income approach, subject to a hypothetical condition of a marijuana cultivation business being operated at 1758 Anka Street, adjacent to the subject property, will be developed using direct capitalization. The as is value estimate will be the control and the income capitalization approach, subject to the hypothetical condition, will serve as the change of value. The difference between the two value estimates will be attributable to the increase or diminution of value due to the hypothetical condition.

The lease status of the property does not change in the immediate term; however, subsequent events could have the adverse effect of decreasing the quality, quantity, and durability of the income stream. What is certain is that there is no circumstance in the immediate near-term that would cause the subject property's net operating income to increase due to the hypothetical condition.

An extensive study of concerns and risks relative to the hypothetical condition has been conducted. What is clearly evident is that all ownership and investment risk of the subject property falls to the current owners, with limited opportunity to divest or mitigate the risk. The risks present include those from an operation perspective, as well as resale. The following discussion will identify the elevated ownership and investment risks presented due to the hypothetical condition.

The presence of a marijuana cultivation operation adjacent to the subject property is what is identified in appraisal literature as a "neighboring nuisance." Neighboring nuisance is a concept developed by Randall Bell, MAI, who has written course materials as well as books presenting his studies and

conclusions of the effects of neighboring nuisance on property values. As part of the neighboring nuisance, there are also concerns about legal issues and imposed conditions. Neighboring nuisance includes adverse external factors, undesirable acts, or forced events by another person or entity that affect the value of a property. Studies have found that more expensive properties suffer greater damages than lesser cost properties exposed to the same conditions. This, in part, can be explained by the fact that there is a smaller universe of potential purchasers for expensive properties than less costly properties.

Among the neighboring nuisance concerns are the visual appearance of the marijuana cultivation facility. While the cultivation operators' conditional use permit application indicates that they will install security cameras and specialized locks, there is nothing to prevent fencing the site with razor wire, installing obtrusive yard lighting, installing alarms, etc. There are no prohibitions to turning the cultivation facility into a fortress. Cultivation operations, which include the harvesting, processing, and wholesale of marijuana products, come with associated risks, including explosions, flooding, crime, loss of privacy to adjoining properties, and hold the potential to change the character of the neighborhood as a whole. Marijuana cultivation in the subject neighborhood is not a homogeneous land use. Crime and the attraction of the criminal element to a cultivation facility is of great concern. For example, a 4,000 square foot cultivation facility could hold upwards of $500,000 worth of inventory or cash, which would be very attractive to the criminal element. It is also well known that the cultivation and retail marijuana businesses are cash operations due to the fact that banks are precluded by Federal law from handling the proceeds of sale of a controlled substance.

The question arises, will more cultivation and retail operations be attracted to the neighborhood once a cultivation facility is established? There are two concerns with this proposition. One concern is related to affordability of rents for existing businesses in the neighborhood if marijuana businesses increase neighborhood rent levels. There is also the concern of compatibility with surrounding businesses. It is noted that many businesses, including retailers, will not locate in close proximity to marijuana cultivation and retail businesses. It has been noted in the Ketchikan marketplace that a cultivation and a separate retail operation are soon to open near the Seaborne Marine Industrial Complex. The owner of the industrial complex intends to construct a fence separating the park from the two marijuana businesses, as well as construct a new access road to the park due to his concern that the public would associate him with the marijuana business. The capital cost may well exceed $100,000.

It is also noted that a new retail store opened in the 100 block of Stedman Street in Ketchikan. There were at least three vacant storefronts immediately adjacent to the retail business. At this time, it is not possible to determine whether the vacancies are a near-term phenomenon or will become long-term vacancies or will cause falling rent levels.

The owner/lessor of the subject property has the potential to be declared in default of the lease by the State of Alaska, Department of Administration. Said default could result in the immediate termination of the lease, necessitate costly capital expenditures, and potentially jeopardize lease renewal. There are multiple lease clauses that could lead to a declaration of default.

Heidi Lengdorfer, Chief of Health Analytics and Vital Records for the State of Alaska, stated in an email dated May 19, 2017, that: "One detail I foresee being an issue is the air filtration system, as we

mentioned on the phone. Since we can already smell the results of the brewery across the street, or the dump when the winds change, I'm not sure that it would be able to handle any byproducts of the cultivation facility in its current state. If there is any detectable smell from the facility, it would need to be eliminated (State of Alaska workplaces are drug-free, after all). While I don't have any evidence, I am also concerned about exposing irreplaceable vital records to anything other than clean, climate controlled air."

Behrends Mechanical has taken under advisement the concerns regarding the HVAC/air filtration system of the Vital Statistics Building. Initial concerns are related to the capital cost of installing a higher quality air filtration system, maintenance/materials, and higher operating costs.

There is considerable lease renewal risk present for the subject property. The current State of Alaska lease expires in 2022. This leaves approximately five years remaining in the lease term. There are no renewal options held by the tenant and a new RFP for a facility to house the Bureau of Vital Statistics would be expected in 2022. The renewal risk is elevated for the subject property due to the special purpose improvements that were required by the original RFP and lease specifications, should the State not re-lease the property. The special improvements include a vault with specialized air filtration and fire protection systems. The mechanical systems are redundant, which is a super amenity for which the State was willing to pay a higher lease rate, but would have no practical value for any other tenant besides the Bureau of Vital Statistics. The property would have very limited market appeal should the State decide not to renew the lease.

The State of Alaska has the ability to craft an RFP that would effectively eliminate the subject property's location from submitting a conforming bid for the new lease by simply including a provision that the facility cannot be located in proximity of a marijuana cultivation or retail facility. The location specification could be less obvious so as to be beyond appeal. Alternatively, if the subject property was vacated, removal of the vault and construction of tenant improvements may prove to be uneconomic. Should this be the case, then the net rentable area of the subject property would be substantially reduced and the redundant mechanical systems would become functionally obsolete.

Failure of the State of Alaska to negotiate a new lease in the subject property creates lease up risk. Given the size of the improvements and the value range, there would be a diminished pool of potential tenants attracted to the subject property. This diminished pool of potential tenants reduces the ability of the owner/lessor to obtain market rent prevailing in the area due to the proximity of a grow operation. There could also be an extended period of vacancy.

The property also faces risk of increased operating expenses. Based on a conversation with a commercial lines insurance broker. There are three alternatives that may face the property. The first is that coverage is placed and there is no premium increase. The second is that insurance is placed, but the premium is increased. The third is that coverage is denied. This is the worst of outcomes, because this would be a material breach of loan covenants and could result in foreclosure as well as a breach of the lease. Every property is individually underwritten relative to risks. Therefore, there is no ability to address insurability without review by an underwriter.

Insurance cost escalations are highly possible due to the fact that the adjacent property would likely be uninsured, lacking property or liability coverage. There are currently conflicts between State and

Federal laws that create insurance issues. Insurance coverage may be denied for any losses caused by marijuana activity on the basis that marijuana remains illegal under Federal law. As a hypothetical example, should an explosion occur at the cultivation facility which, in turn, damages the subject improvements, then the insurer of the subject improvements would have to recover against the cultivation facility, which lacks insurance and operates a cash business. Based on this hypothetical, the insurance company covering the subject property may view the risks of explosion, criminal activity, and other potential liabilities as justification for charging a higher premium for the subject property or simply denying coverage.

There may also be increased capital costs for the air handling system if upgrades are needed. It is well known that marijuana cultivation facilities emit obnoxious odors. Some people have high levels of sensitivity. The owner of the subject property, as well as the State of Alaska, would have a high interest in providing a safe and comfortable workplace.

Should additional air filtration be required, there would be an increase in maintenance costs for changing out the air filters. Electrical consumption would also likely increase due to equipment operation.

Litigation risk would be a substantial concern for the owners of the subject property, as well as prospective purchasers. Market participants who own or seek to purchase highly valued commercial real estate have no interest in purchasing a lawsuit through their ownership or purchase activities. The City/Borough of Juneau ordinances regarding marijuana cultivation and retail operations offer no protection to adjacent property owners as far as compensation for business loss or diminution of property values. The City/Borough of Juneau has been ineffective in controlling odors from the garbage facility and the Alaskan Brewery. There are likely other examples in the Juneau marketplace of City/Borough of Juneau failures to ensure homogeneous land uses.

Claims for damages to the subject property can only be made after a loss is incurred. There are few opportunities for preemption or mitigation of lawsuits due to the adjacent marijuana cultivation operation. Any costs incurred would most likely be borne by the subject property owner, with no recourse to other parties.

Marijuana cultivation is a cash business that doesn't use bank accounts. Therefore, there is limited ability by the subject property owners to seize assets should they be successful in pursuing a damage lawsuit against the adjacent property owner. There would be substantial cost and time expenditures for pursuing litigation claims should a damage occur. No matter how good and warranted a lawsuit may be, there is no guarantee of success in the courtroom.

Lastly, there would likely be no ability to recover any damages from the City/Borough of Juneau for their failure to enact or properly execute ordinances to protect the subject property from marijuana cultivation activities.

While there are numerous articles reflecting real estate value trends due to the legalization of marijuana cultivation, those that have been reviewed lack a scientific basis for their conclusions. They tend to be extremely biased/pro marijuana. Many of these studies have cited empirical evidence such as the Case Schilling Housing Study showing residential value trends in Denver. While residential

values have increased in Denver since the 2012 enactment of marijuana legalization, the attribution of the increases in value solely to marijuana is highly questionable. It should be noted that there was a substantial in-migration of new residents moving to Colorado, and to Denver in particular, after the legalization of marijuana. There is no support that legalized marijuana produced or caused the in-migration. The State legislature also passed legislation giving new condominium purchasers the right to sue developers for defects, which effectively shut down the construction of low and moderate priced condominiums. This law produced greater demand for existing residences. Lastly, there was no control group used to show that housing appreciation in Denver was extraordinarily attributable to legalization of marijuana. It should be noted that nationwide, residential housing values bottomed in the 2011-2012 time period and have seen moderate to strong appreciation in most urban areas across the United States.

Some appraisers in Colorado and Washington report that rents have increased for industrial cultivation space as well as retail stores dispensing marijuana. Relative to the industrial cultivation space, rents paid often reflected a premium of 15 to 200 percent over competing space for non-marijuana cultivation use; however, the premium rents are misleading and somewhat taken out of context. First of all, the initial leases of industrial marijuana cultivation properties took place in blighted and severely deteriorated areas of Denver. Therefore, properties that had little or no preexisting demand prior to marijuana legalization suddenly became attractive to the marijuana industry, as many of these properties were vacant and run down. Government agencies were encouraged to see that substantial capital investments were made to blighted properties that were converted to facilitate marijuana cultivation. The leased facilities were mostly industrial buildings that were older (1950s and 1980s). In contrast, the Lemon Creek neighborhood is an attractive and highly valued area with no blight conditions present.

Another misrepresentation regarding premium rental rates for marijuana cultivation is the fact that many of the leases involve renovated facilities, tenant improvements, upgraded electrical systems, plumbing fire suppression, security systems, and other costs that were built into the lease rates.

Some of the premium rents are also attributable to lessor perceptions of higher risks leasing to a marijuana cultivation business. Most of these businesses are under-capitalized and, due to the fact that they are cash businesses, there is little financial recourse for a lease default. Lessors are inconvenienced due to the fact that their rents must be paid in cash as no bank will currently take deposits from a marijuana cultivation business. Should the property be mortgaged by a federally regulated lender, the owner takes the risk that the operation of a marijuana cultivation facility may cause the lender to declare default and seek immediate repayment of the loan balance. The real estate may also be uninsurable if occupied by a marijuana cultivation facility, which places a loss risk on the lessor.

One appraisal study conducted in Colorado indicated that even if the net operating income produced by a marijuana cultivation facility rental was greater than that of the competing market, due to the higher levels of risk, those properties were valued at capitalization rates ranging from 12 to 15 percent, relative to the market rate of 7 to 8 percent. Thus, there was no increase in overall property values attributable to the introduction of the marijuana industry.

An article published by Realtors.com dated November 7, 2016, stated that: "Colorado homes within a half mile of a marijuana business often have lower property values than homes in the same county that are further out. But not all marijuana businesses are a buzz kill for home values. Neighborhoods with grow houses are the least desirable, with an 8.4 percent price discount, but retail shops, especially with the rise of a new generation of stylish pot boutiques, have almost no negative value."

The same article continues: "Grow houses tend to bypass the most desirable, upscale neighborhoods and find their way into more inexpensive ones. The places with the highest number of marijuana businesses per capita are Elyria, Swansea, Globeville, and West Northeast Park Hill, according to the Denver Post. All three are low income neighborhoods.

Perhaps that's partly due to the literally stinky business of growing cannabis. Even with the use of air purification systems, the odor tends to permeate the immediate area, so many folks don't want to live near large grow sites."

It is concluded that the subject property will not increase in value due to the adjacent location of a marijuana cultivation operation.

Reconciliation and Conclusion of Value Subject to Hypothetical Condition

Based on the preceding analyses, it is our conclusion that the subject property, subject to the hypothetical condition, would command an overall capitalization rate in the 12 to 15 percent range, due to the extraordinary risks of ownership, impaired marketability, and extreme difficulty in receiving compensation for any damages that may be incurred. The subject's value, subject to the hypothetical condition, is calculated as follows:

$206,138 (NOI) / 12% (OAR)	=	$1,717,817 (Rounded to $1,720,000)
$206,138 (NOI) / 15% (OAR)	=	$1,274,253 (Rounded to $1,375,000)

Damage Calculation

The damage, or diminution in value, to the subject property, subject to the hypothetical condition of a marijuana grow operation being located on the adjacent parcel, is calculated as follows:

Market Value As Is	-	$2,500,000	$2,500,000
Less Hypothetical MV	-	$1,720,000	$1,375,000
Damage to Subject	-	$ 780,000	$1,125,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. It is assumed that there have been no physical changes to the subject property since our inspection on November 1, 2016, other than ordinary physical deterioration and that all building systems are functional.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The second valuation scenario is based on the hypothetical condition that a marijuana cultivation operation is located at 1758 Anka Street, Juneau, adjacent to the east of the subject property.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot be reasonably foreseen at this time.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market value stated previously, it is our opinion that the probable exposure time is six months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at six months in the as is value scenario. The marketing time for the hypothetical condition valuation is estimated at 12 to 24 months due to the likelihood of an extended due diligence period required by potential purchasers, a diminished pool of purchasers, and the perception of greater risk.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have previously appraised the property that is the subject of this report for another client within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Kim M. Wold made a personal inspection of the property that is the subject of this report on November 1, 2016, in conjunction with a previous appraisal assignment.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, Kim M. Wold the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.

Kim M. Wold
Certified General Real Estate Appraiser
Alaska Certificate # 52

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.

8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.

9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.

10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.

11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.

12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.

14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.

15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.

16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Seattle, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.

21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.

22. Integra Realty Resources – Seattle is not a building or environmental inspector. Integra Seattle does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.

23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, and/or any other related work product, the Integra Parties shall not be

responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. Integra Realty Resources – Seattle, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.

27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. It is assumed that there have been no physical changes to the subject property since our inspection on November 1, 2016, other than ordinary physical deterioration and that all building systems are functional.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The second valuation scenario is based on the hypothetical condition that a marijuana cultivation operation is located at 1758 Anka Street, Juneau, adjacent to the east of the subject property.

29. This appraisal is limited in scope because an applicable approach to value is not used. Therefore, the credibility of the value conclusion must be considered within the context of the intended use.

Addendum A

Appraiser Qualifications

Kim M. Wold

EXPERIENCE
Employed by the Ketchikan Gateway Borough from January 1976 to October 1978 as a Junior Appraiser with subsequent advancement to an Appraiser position. The position involved the revaluation of approximately 5,000 properties within the Ketchikan Gateway Borough.

Founded Alaska Appraisal Associates, Inc. and served as President and Chief Appraiser from October 1978 to 2017. Also associated during this period with Hugh A. Thompson and Associates Inc. of Redmond, Washington.

In 2017, Alaska Appraisal Associates, Inc. was purchased by Integra Realty Resources – Seattle. Director and Appraiser with IRR April 2017 to Present.

PROFESSIONAL TRAINING
Attended numerous and appraisal related courses presented by the American Institute of Real Estate Appraisers, Northwest Center for Professional Education, Marshall Valuation Service, University of Alaska, and the International Right of Way Association.

Completed courses sponsored by the American Institute of Real Estate Appraisers and the Appraisal Institute in conjunction with the University of Portland, University of Colorado, University of San Diego, and Arizona State University. These courses include:

Basic Valuation Principles 1978	-	Course 1A
Residential Valuation 1978	-	Course 8
Capitalization Theory 1979	-	Course 1B
Case Studies 1981	-	Course 2-1
Appraisal Report Writing 1981	-	Course 2-2
Investment Analysis 1982	-	Course 6
Standards of Professional Practice 1983	-	Course 2-3
Litigation Valuation 1985	-	Course 4
Standards of Professional Practice 1991	-	Course 410/420
State Certification/License - Residential 1991		
State Certification/License - Commercial 1991		
Highest & Best Use and Market Analysis, 1993	-	Course 520
Advanced Residential Report Writing, 1995	-	Course 500

Standards of Professional Practice, 1997 - Course 410/420
Automated Valuation Models, 1999
Technical Inspection of Real Estate, 1999
Internet and Appraising, 1999
Standards of Professional Practice, 2000 - Course 410/420
Law and Value; Communication Corridors, Tower Sites, and Property Rights, 2001
Attacking & Defending an Appraisal in Litigation, 2001
Valuation of Detrimental Conditions in Real Estate, 2002
Appraisal Litigation Practice and Courtroom Management, 2003
The Road Less Traveled; Special Purpose Properties, 2004
Hospitality Properties, 2004
Standards of Professional Practice, 2004
Rates & Ratios; Making Sense of GIMs, OARs & DCF, 2004
Supporting Capitalization Rates, 2004
Condominiums, Co-Ops, and PUDs, 2006
What Clients Would Like Their Appraisers to Know, 2006
Residential Highest and Best Use, 2007
Standards of Professional Practice, 2007
Current Issues and Misconceptions in the Appraisal Process, 2007
Business Practices and Ethics, 2009
Uniform Standards of Professional Appraisal Practice, 2009
Highest and Best Use and Market Analysis, 2009
Understanding the New Interagency Appraisal and Evaluation Guidelines, 2011
General Appraiser Site Valuation & Cost Approach, 2011
Self Storage: Emerging Core Asset, 2011
Appraisal Curriculum Overview, 2011
Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets, 2012
Standards of Professional Practice, 2013
Uniform Standards of Professional Appraisal Practice Update, 2014
Litigation Appraising – Specialized Topics, 2014
Forecasting Revenue, 2015
Review Theory, General, 2015

PROFESSIONAL LICENSING

Licensed by the State of Alaska, Department of Commerce and Economic Development, Division of Occupational Licensing, in September, 1991 as a General Real Estate Appraiser. Current license expires June 30, 2017.

PROFESSIONAL AFFILIATIONS

Senior Member	-	National Association of Review Appraisers and Mortgage Underwriters
Associated Member	-	Appraisal Institute
Fee Appraiser	-	Federal Housing Authority (FHA/HUD #2218)

AREAS APPRAISED IN ALASKA

Areas in which appraisals have been completed include Bristol Bay, Bethel, Anchorage, Haines, Hoonah, Juneau, Yakutat, Sitka, Wrangell, Petersburg, Craig, Klawock, Hydaburg, Metlakatla, Thorne Bay, Hollis, Ketchikan, Unalaska, Chignik, St. Paul Island, and numerous remote locations throughout Southeast Alaska.

Appraisals have also been completed in the Seattle metropolitan area.

TYPES OF PROPERTIES APPRAISED

Single and multi-family residential, income producing properties, special purpose properties such as sawmills and fish processing plants, tidelands, logging camps, grocery stores, shopping centers, aviation facilities. Extensive experience appraising urban and remote acreage of varying highest and best uses such as residential, commercial, industrial, agricultural, forestry, mining claims, tidelands, recreational, etc.

TYPES OF APPRAISALS

Appraisals have been conducted for a multitude of purposes including market value, insurance, estate, ad valorem, eminent domain, charitable contributions, syndication, etc.

SPECIAL PROJECTS

Served as a member of the Ketchikan Gateway Borough Land Selection Committee evaluating municipal land selections (1980).

Appraised State lands in the Ketchikan and Prince of Wales Island area to assist in reconstituting the University of Alaska Land Trust (1987).

Served as a member of the Alaska Mental Health Land Valuation Panel evaluating Southeast Alaska lands to settle the Weiss v. State of Alaska litigation (1988).

Conducted physical and legal attribute identification of Southeast Alaska lands and improved properties for the reconstitution of the Mental Health Land Trust (1993).

PUBLISHED ARTICLES

No published articles in the preceding 10 years.

EXPERT WITNESS
Testified as an expert witness in proceedings before the U.S. Bankruptcy Court. Testified in the Superior Courts within the States of Alaska and Washington in regard to real estate and business valuations. Testified before the Boards of Equalization for the Ketchikan Gateway Borough and the City of Craig. Testified in Internal Revenue Service tax appeal hearings.

Specific Cases Testified – In re: Salmon Falls Resort, LLC, US Bankruptcy Case No. K09-00301-DMD; Trident Seafoods Corporation v. Commonwealth Insurance Company; Case No. 2010-CV-00214-RAJ; In re: Alaska Fur Gallery, US Bankruptcy Case No. A09-00196-DMD; Carrie L. McLaughlin v. Gary L. Looney, Case No. 1KE-11-12 CI; State of Alaska, DOT/PF v. Sears Roebuck & Co., Case No. 3AN-11-07799 CI

APPRAISAL CLIENTS
Government Agencies - Federal Deposit Insurance Corporation, Alaska Native Health Service, Alaska Renewable Resource Corporation, Alaska Department of Natural Resources, Alaska State Building Authority, Alaska Housing Finance Corporation, Bureau of Indian Affairs, U.S. Department of Agriculture -Forest Service, Ketchikan Public Utilities, Metlakatla Housing Authority, National Oceanic & Atmospheric Administration.

Municipalities - Cities of Craig, Klawock, Petersburg, Ketchikan, Thorne Bay, Whittier; Ketchikan Gateway Borough; City/Borough of Juneau; City/Borough of Sitka; Haines Borough

Financial Institutions - Alaska Pacific Bank, Commercial Fisheries and Agricultural Cooperative Bank, First Bank of Ketchikan, First National Bank of Anchorage, Seafirst Mortgage Corporation, Tongass Federal Credit Union, Ward Cove Credit Union, KeyBank National Association, Wells Fargo Bank, Frontier Bank, Federal National Mortgage Association, First Heritage Bank, Alaska Growth Capital, Native American Bank, Cascade Bank, True North Federal Credit Union, Northrim Bank, Toyota Financial Services, Banner Bank

Fisheries - Craig Fisheries, E.C. Phillips Cold Storage, Ward Cove Packing Company, Wrangell Seafoods, Silver Lining Seafoods, Excursion Inlet Packing Co., Hoonah Seafoods, Canadian Fisheries Co., North Pacific Processors, Sitka Sound Seafoods, Norquest, YKI Fisheries, Salamataof Seafoods, Pacific Star Seafoods, Ocean Beauty Seafoods, Trident Seafoods, Pelican Seafoods, Westward Seafoods, Harbor Crown Seafoods, Alyeska Seafoods, Maruha Nircho, Silver Bay Seafoods

Forestry - Alaska Timber Corporation, Louisiana Pacific Corporation, Georgia Pacific Corporation, Pacific Forest Products, Mitkof Lumber, Wrangell Forest Products, Valentine Logging, Sealaska Timber Corporation, Whitestone Logging.

Native Corporations - AHTNA, Inc., Cape Fox Corporation, Sealaska Corporation, Shaan Seet Corporation, Kootznoowoo Inc., Klawock-Heenya Corporation, Ketchikan Indian Corporation, Tlingit-Haida Regional Housing Authority, Klukwan, Inc., Huna Totem, Gold Belt Corporation, Central Council of Tlingit & Haida Indian Tribes of Alaska

Tourism - Waterfall Resort, Yes Bay Lodge, Clover Pass Resort, Whale Pass Lodge, Hyda-Way Lodge, King Salmon Motel, Tides Inn, Royal Executive Suites, Scandia Inn, Beachcomber Inn, Driftwood Lodge, Mink Bay Lodge, Juneau Travel Lodge, Stikine Inn, Fireweed Lodge, Leonard's Landing, Sure Strike Lodge, El Capitan Lodge, Rocky Point Lodge, Juneau Hotel

About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

irr.com

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
COMMUNITY DEVELOPMENT

(907) 586-0715
CDD_Admin@juneau.org
www.juneau.org/CDD
155 S. Seward Street • Juneau, AK 99801

May 23, 2017

MEMO

From: Christine Steadman, Planner II

To: Planning Commission

Parcel No.: 1-C04-0-A15-001-0

Legal Description: Lots 5 &6 Fraction, Block 115, Juneau Townsite

RE: **CSP2017 0008**

Attachments

A: Hazard map aggregating landslide and avalanche zone

B: Hazard map distinguishing landslide (mass wasting) and avalanche zone

In the staff report for CSP 2017 0008 dated May 9, 2017 staff stated that the subject property and the adjacent property are located in the severe avalanche zone. The correct information is that the property is located in the severe landslide zone but is outside of the severe avalanche zone. This error occurred because staff consulted a map which accumulates both hazard areas into a single zone (Attachment A). CBJ Cartographer Quinn Tracy provided the attached map which distinguishes between the landslide and avalanche zones (Attachment B).

This clarification does not change staff's findings or recommendation. It does however, mean that CBJ 49.70.300(b)(1) which restricts additional density within a severe avalanche area does not apply to the lot, and the potential buyer could add bedrooms in the future.

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
COMMUNITY DEVELOPMENT

(907) 586-0715
CDD_Admin@juneau.org
www.juneau.org/CDD
155 S. Seward Street • Juneau, AK 99801

DATE: May 9, 2017

TO: Planning Commission

FROM: Chrissy Steadman, Planner II
Community Development Department

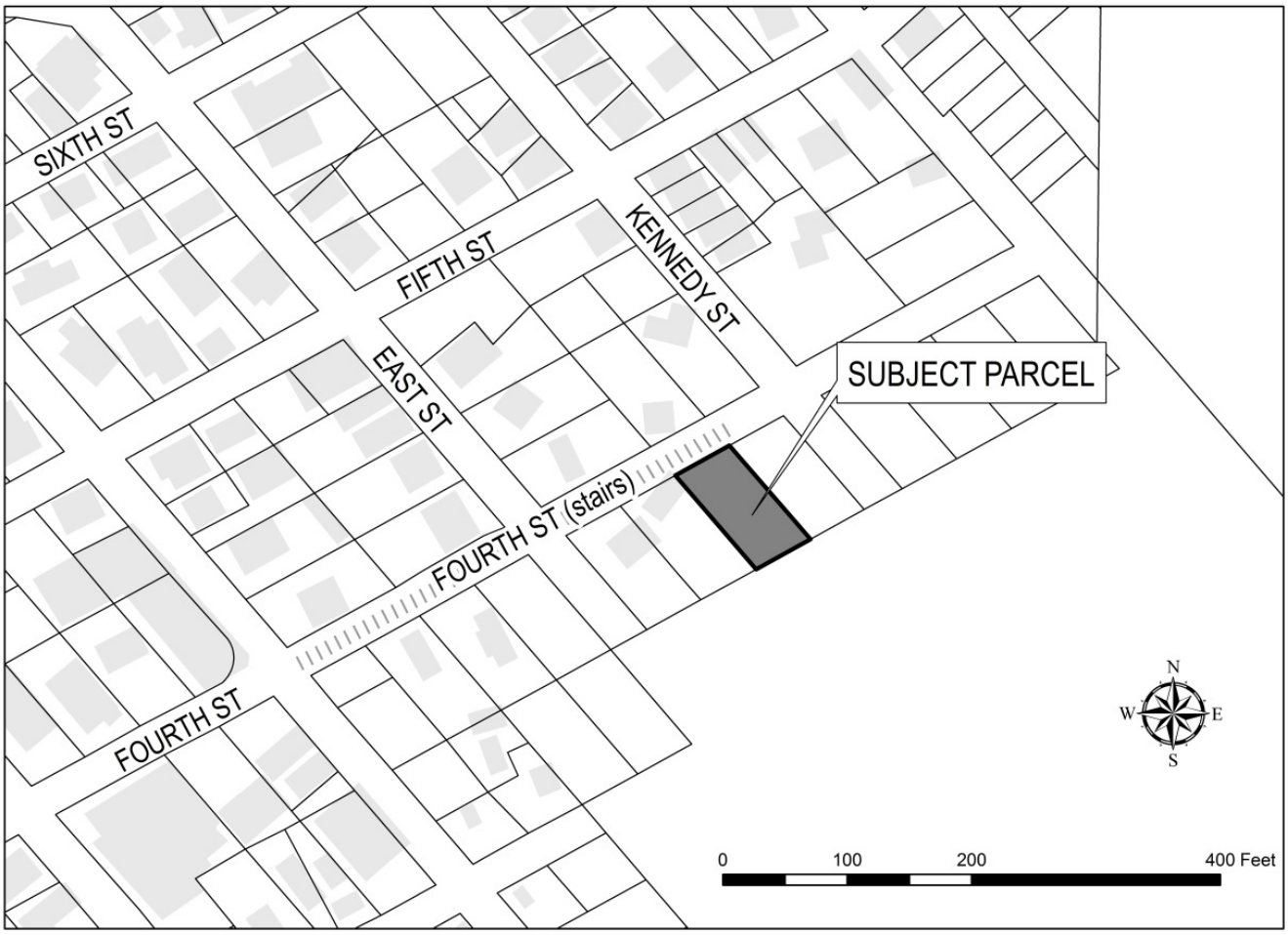
FILE NO.: CSP2017 0008

PROPOSAL: CBJ land disposal of a 4,893 square foot lot in the D-5 zoning district along the Fourth Street Right-of-Way.

GENERAL INFORMATION

Applicant:	City & Borough of Juneau
Property Owner:	City & Borough of Juneau
Legal Description:	Lot 5 & 6 Fraction, Block 115, Juneau Townsite
Parcel Code No.:	1-C04-0-A15-001-0
Site Size:	4,893 square feet
Comprehensive Plan Future Land Use Designation:	Medium Density Residential – Single Family (MDR-SF)
Zoning:	D-5 single family/duplex
Utilities:	City water and sewer
Access:	Fourth Street stairway
Existing Land Use:	Vacant
Surrounding Land Use:	North - D-5 single family/duplex South - D-18 multifamily East - D-5 single family/duplex & D-18 multifamily West - Vacant CBJ land

VICINITY MAP



ATTACHMENTS

Attachment A: CSP Application
Attachment B: Applicant narrative
Attachment C: 1980 As-built survey

PROPOSAL

The applicant, CBJ Division of Lands & Resources, seeks to dispose of a 4,893 square foot parcel within the Starr Hill neighborhood of downtown Juneau. The owners of the adjacent lot to the southwest have applied to acquire the property from the CBJ in order to consolidate the two lots.

BACKGROUND

The owners of Lot 7 of Juneau Townsite block 115, Christopher and Elizabeth Siddon, would like to acquire the subject lot to make structural improvements to their single family residence for mitigation against natural hazards. The Siddons would also like to make renovations to their residence to better accommodate accessibility needs of a family member. The subject parcel is managed by the Lands and Resources Division which is recommending the land be sold to the Siddons. The CBJ Assembly approved the sale negotiation between the Siddons and the CBJ Lands Division at its regular meeting on April 3, 2017.

ANALYSIS

The subject property and the property adjacent to the south are in the D-5 zoning district. The lots are both 4,893 square feet. If consolidated the lot would meet the minimum lot size of 7,000 square feet for the D-5 zoning district. The existing single family residence located on Lot 7 was built in 1940 and encroaches into the front yard setback and one of the side yard setbacks (Attachment C). The structure meets the required side yard setback of 5 feet on the lot line adjacent to the subject property. The subject property and the Siddon's property to the south are both in the severe avalanche zone. The subject lot has a slope of 68 percent and the adjacent lot has a slope of 44 percent behind the existing structure.

Based on CBJ 49.70.300(b)(1);

> *Notwithstanding any other provision, no development, or any part of a development, which is within a severe avalanche area shall, by the addition of bedrooms, conversions of buildings, or otherwise, increase the density of that parcel; provided, however, that a single-family house may be constructed on a vacant lot.*

Therefore, once the lots are consolidated no additional density may be added to the lot in the form of bedrooms or accessory apartments. Sale of the lot and consolidation with the adjacent

lot to the south will facilitate private development of structural reinforcements to protect against landslides and avalanches.

Conformity with Adopted Plans

The 2013 Comprehensive Plan (Comp Plan) Chapter 7 identifies methods to minimize the threat to human safety and development posed by landslides and avalanches. Specifically, development guideline 7.17 – DG2 states;

> *Review any proposed land disposals of CBJ-owned lands in light of their hazard classification; retain ownership of CBJ lands with moderate-to high-potential of avalanche or mass-wasting (landslide).*

Without analysis of additional plans and studies it would appear the proposal does not generally conform to the 2013 Comprehensive Plan. However, further analysis provides additional guidance as to whether the proposal conforms to the intent behind CBJ retention of lands within severe hazard areas.

Title 49, the Land Use Code, has specific language with regard to property within hazard zones. Specifically, CBJ 49.70.300(a)(1) states;

> *Development in all landslide and avalanche areas shall minimize the risk of loss of life or property due to landslides and avalanches.*

The intention to consolidate the lots and make structural improvements to the existing single family residence ensures no additional density is allowed in the area than what currently exists.

While the 2016 CBJ Lands Plan states that the subject parcel should be retained by CBJ the plan also states that acquiring private land should result in a public benefit. The plan states that the CBJ will minimize the acquisition of private land for public purposes in order to avoid erosion of the property tax base.

Section 4: *Mitigation Strategy* of the CBJ All-Hazards Mitigation Plan simultaneously encourages homeowners to undertake mitigation actions for their own homes and progressively buy out homes in high hazard zones. While the Comprehensive Plan and the Lands Plan both state CBJ should retain land within high hazard areas the All-Hazard Mitigation Plan recognizes the balance between what is desirable and what is feasible. Goal 2 of the Mitigation Strategy states the following;

> *Determine the most cost-effective method by which to reduce the avalanche hazard in the CBJ.*

The All-Hazards Mitigation Plan is inconclusive as to whether buyout of affected properties or structural control over avalanche and landslide hazards is more cost effective. According to the

assessor's database the total property value of the Siddon's property is $356,961. The CBJ will be able to collect more tax revenue since the lot will increase in value with the additional square footage. It is more cost effective for CBJ to sell the vacant parcel to the Siddons, require lot consolidation and allow the private property owners to construct structural improvements to protect against avalanches and landslides. With appropriate conditions, the disposal of this CBJ owned parcel within the severe hazard zone can meet the intent behind CBJ retaining property or acquiring private property within severe hazard zones.

Habitat

There are no mapped habitats regulated by the CBJ Land Use Code that impact this proposed land sale.

FINDINGS

Staff finds that the proposed land disposal of Juneau Townsite Block 115 Lot 5 & 6 fraction to be consistent with CBJ adopted plans. The project will create a conforming lot size in the D-5 zoning district, it will maintain and improve protection from the risk of avalanche or landslide in the vicinity, and no additional dwelling units will be added in the hazard zone.

RECOMMENDATION

Staff recommends that the Planning Commission find CSP2017 0008 to be consistent with adopted local plans and polices, as required by CBJ 49.10.170(c), CBJ 49.15.580 and AS 35.30.010 and forward to the Assembly a recommendation for approval to allow for the sale of Lot 5 & 6 Fraction, Block 115, Juneau Townsite to the owners of Lot 7, Block 115, Juneau Townsite. This recommendation is based on the following condition:

1. The fraction of Lots 5 & 6 and Lot 7 of Juneau Townsite Block 115 shall be consolidated.

DEVELOPMENT PERMIT APPLICATION

Project Number CSP2017 0008	CITY and BOROUGH of JUNEAU	Date Received: 4/7/17
Project Name (City Staff to Assign Name)		

INFORMATION

Project Description
The Assembly has granted authority to enter into direct negotiations for the disposal of Juneau Townsite, Block 115, Lot 6 to Chris and Elizabeth Siddon pending Planning Commission review.

PROPERTY LOCATION

Street Address	City/Zip
Currently non-existent	Juneau/99801

Legal Description(s) of Parcel(s) (Subdivision, Survey, Block, Tract, Lot)
Juneau Townsite, Block 115, Lot ~~5~~ 5 & 6 FR

Assessor's Parcel Number(s)
1-C04-0-A15-001-0

LANDOWNER/ LESSEE

Property Owner's Name	Contact Person:	Work Phone:
City and Borough of Juneau	Greg Chaney	586-0205
Mailing Address	**Home Phone:**	**Fax Number:**
155 S. Seward St., Juneau, AK 99801		
E-mail Address	**Other Contact Phone Number(s):**	
Greg.Chaney@juneau.org		

PROJECT / APPLICANT

LANDOWNER/ LESSEE CONSENT ****Required for Planning Permits, not needed on Building/ Engineering Permits****

I am (we are) the owner(s)or lessee(s) of the property subject to this application and I (we) consent as follows:

A. This application for a land use or activity review for development on my (our) property is made with my complete understanding and permission.
B. I (we) grant permission for officials and employees of the City and Borough of Juneau to inspect my property as needed for purposes of this application.

X Greg Chaney — Landowner/Lessee Signature — Date: April 5, 2017

X _____ Landowner/Lessee Signature — Date: _____

NOTICE: The City and Borough of Juneau staff may need access to the subject property during regular business hours and will attempt to contact the landowner in addition to the formal consent given above. Further, members of the Planning Commission may visit the property before the scheduled public hearing date.

APPLICANT If the same as OWNER, write "SAME" and sign and date at X below

Applicant's Name	Contact Person:	Work Phone:
Greg Chaney	Greg Chaney	586-0205
Mailing Address	**Home Phone:**	**Fax Number:**
155 S. Seward St., Juneau, AK, 99801		
E-mail Address	**Other Contact Phone Number(s):**	
Greg.Chaney@juneau.org		

X Greg Chaney — Applicant's Signature — Date of Application: April 5, 2017

----------OFFICE USE ONLY BELOW THIS LINE----------

STAFF APPROVALS

✓	Permit Type	***SIGN	Date Received	Application Number(s)
	Building/Grading Permit			
✓	City/State Project Review and City Land Action			CSP20170008
	Inquiry Case (Fee In Lieu, Letter of ZC, Use Not Listed)			
	Mining Case (Small, Large, Rural, Extraction, Exploration)			
	Sign Approval (If more than one, fill in all applicable permit #'s)			
	Subdivision (Minor, Major, PUD, St. Vacation, St. Name Change)			
	Use Approval (Allowable, Conditional, Cottage Housing, Mobile Home Parks, Accessory Apartment)			
	Variance Case (De Minimis and all other Variance case types)			
	Wetlands Permits			
	Zone Change Application			
	Other (Describe) _____			

***Public Notice Sign Form filled out and in the file.

Comments:

Permit Intake Initials: JMN

NOTE: DEVELOPMENT PERMIT APPLICATION FORMS MUST ACCOMPANY ALL OTHER COMMUNITY DEVELOPMENT DEPARTMENT APPLICATIONS

Attachment A

CITY/STATE PROJECT AND LAND ACTION REVIEW APPLICATION

Project Number	Project Name (15 characters)	Case Number	Date Received
		CSP 20170008	4/7/17

TYPE OF PROJECT REVIEW:

☐ City Project Review ☑ City Land Acquisition /Disposal ☐ State Project Review

DESCRIPTION OF PROJECT

The Assembly has granted authority to enter into direct negotiations for the disposal of Juneau Townsite, Block 115, Lot 6 to Chris and Elizabeth Siddon pending Planning Commission review. Upon acquiring the property, the Siddons will use the CBJ lot with their current property (Lot 7) to provide room for making structural improvements to their existing home. Modifications to their home would to be designed to mitigate against natural hazards and allow for single-level living for a family member who is unable to navigate stairs.

Please attach a cover letter to fully explain the project if there is not adequate space on this form.

CURRENT USE OF LAND OR BUILDING(S):

Lot 6 is held in reserve due to its avalanche zone designation and has remained undeveloped.

PROPOSED USE OF LAND OR BUILDING(S):

Upon acquiring Lot 6, the Siddons will develop the CBJ lot with their current property (Lot 7) to provide room for making structural improvements to their existing home. Modifications to their home would to be designed to mitigate against natural hazards and allow for single-level living .

TO BE COMPLETED BY THE APPLICANT

PROJECT NUMBERS ASSOCIATED WITH PROPOSAL:

Is this project associated with any other Land Use Permits? ☑ No ☐ Yes **Case No.:** _____

Capital Improvement Program # (CIP) _____

Local Improvement District # (LID) _____

State Project # _____

ESTIMATED PROJECT COST: $_____

For more information regarding the permitting process and the submittals required for a complete application, please see the reverse side.

If you need any assistance filling out this form, please contact the Permit Center at 586-0770.

CITY/STATE PROJECT FEES

	Fees	Check No.	Receipt	Date
Application Fees	$_____	_____	_____	_____
Total Fee	$_____	_____	_____	_____

NOTE: MUST BE ACCOMPANIED BY* DEVELOPMENT PERMIT APPLICATION *FORM

&

EVEN IF THE PROPOSED PROJECT IS ASSOCIATE WITH OTHER LAND USE PERMITS, THIS APPLICATION MUST BE FILLED OUT

Attachment A

Memorandum

City & Borough of Juneau
155 S. Seward Street • Juneau, AK 99801

From: Greg Chaney, Greg Chaney
Lands and Resources Manager

To: Assembly

Date: April 3rd, 2017

Re: Chris and Elizabeth Siddon application to acquire City Property
Juneau Townsite, Block 115, Lot 6
1-C04-0-A15-001-0; LND-1039

The CBJ Lands Office received an application from Chris and Elizabeth Siddon to acquire a City lot in the vicinity of the Fourth Street stairs in downtown Juneau. On February 27th, 2017, the CBJ Lands Committee made a motion of support to bring Chris and Elizabeth Siddon's application before the Assembly for approval of a negotiated sale regarding the lot adjacent to their home.

The Siddons' home is located at the top of the Fourth Street stairs but it is also accessible along a relatively level pedestrian path from the end of Kennedy Street. The application states that the Siddons are interested in purchasing Lot 6, Block 115, Juneau Townsite, which is adjacent to the property where their house is located. The area is within a mapped hazard zone. Their plan is to consolidate the CBJ lot with their current property (Lot 7) to provide room for making structural improvements to their existing home. Modifications to their home would to be designed to mitigate against natural hazards and allow for single-level living for a family member who is unable to navigate stairs.

CBJ§53.09.260 Negotiated sales, leases, and exchanges stipulates that once an application has been received, it must first be determined by the Assembly whether the proposal should be further considered by direct negotiation with the original proposer or if the property should be offered for public sale to other individuals. In this case, the hillside behind the subject property is very steep and has been designated as a hazard zone. Due to the "hazard" designation, it is listed in the Land Management Plan for retention. However, by selling this lot to the applicants, a defensive structure could be built to help reduce the hazard risk to the Siddon's existing home as well as for the downhill neighboring homes.

Since this lot is not intended to be used for any other purpose within the foreseeable future, and it could be used by the applicants to reduce the natural hazard risk to their home, Lands staff is recommending that this lot be disposed to the original proposers.

The parcel of land requested by the Siddon family is managed by the Lands and Resources Division. CBJ code 53.09.260 states that Planning Commission review would be required.

Lands staff is requesting that the Assembly dispose of this property to the adjacent property owners so that they may remodel their home for accessibility and build a protective structure to safeguard their home from natural hazards.

Suggested Motion: A motion of support directing staff to enter into direct negotiations for the fair market value sale of City property located at Juneau Townsite, Block 115, Lot 6 to the original applicants, Chris and Elizabeth Siddon. Final sale of the property will be reviewed by the Planning Commission and approved by the Assembly by ordinance.

Figure 1. The subject property is located adjacent to the Siddon family's home.

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THE CITY AND BOROUGH OF JUNEAU, ALASKA
Meeting Minutes - April 3, 2017

MEETING NO. 2017-06: The Regular Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 7:00 p.m. by Mayor Ken Koelsch.

I. ROLL CALL

Assembly Present: Mary Becker, Maria Gladziszewski, Norton Gregory, Loren Jones (telephonic), Jesse Kiehl, Ken Koelsch, Jerry Nankervis, Beth Weldon and Debbie White.

Assembly Absent: None.

Staff Present: Mila Cosgrove, Deputy City Manager; Amy Mead, Municipal Attorney; Laurie Sica, Municipal Clerk; Jane Sebens, Assistant Attorney; Bob Bartholomew, Finance Director; Rob Steedle, Community Development Director; Kris Sell, Lt., JPD; Ed Quinto, Assistant Fire Chief, CCFR; Merrill Jensen, Jensen Olson Arboretum Manager; John Coleman, Airport Administrative Officer; Greg Chaney, Lands and Resources Manager; Carl Uchytil, Port Director.

IX. NEW BUSINESS

A. Request for Authorization for the City Manager to Enter into a Negotiated Fair Market Value Sale of Juneau Townsite, Block 115, Lot 6, with the Adjacent Property

The Lands Office received an application to purchase Juneau Townsite, Block 115, Lot 6. The applicants are the owners of lot 7, which neighbors the property requested for purchase. The applicants wish to acquire the lot to make structural improvements to their existing home for mitigation against natural hazards and to better develop single-level living to assist a family member who is unable to navigate stairs.

On February 27, 2017, the Assembly Lands Committee reviewed and adopted a motion of support to the Assembly for a fair market value sale of Lot 6 to the applicants. The land sale is subject to review by the Planning Commission and authorization by the Assembly by ordinance.

As established in CBJ§53.09.260(a) staff recommends that this proposal be pursued by direc negotiation with the original proposers because the hillside behind the subject property is ve steep and has been designated as a hazard zone. Due to the "hazard" designation, it is listed the Land Management Plan for retention. However, by selling this lot to the original

proposers who are adjacent to the property, a defensive structure could be built to help reduc the risk to the applicants' existing home as well as neighboring homes downslope.

The City Manager requests a motion of support to enter into direct negotiations for the disposal of Juneau Townsite, Block 115, Lot 6 to the applicants.

Public Comment:

Chris Siddon said he was the applicant attempting to purchase the property and he supported the manager's report.

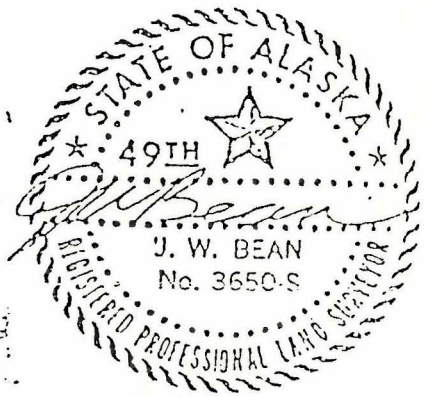
Assembly Action:

MOTION, by Becker, to authorize the City Manager to enter into a negotiated fair market value sale of Juneau Townsite, Block 115, Lot 6, with the adjacent property. Hearing no objection, it was so ordered.

XV. ADJOURNMENT

There being no further business to come before the Assembly, the meeting adjourned at 9:57 p.m.

Minutes taken from Novus:
http://packet.cbjak.org/MeetingView.aspx?MeetingID=530&MinutesMeetingID=648&doctype=Minutes

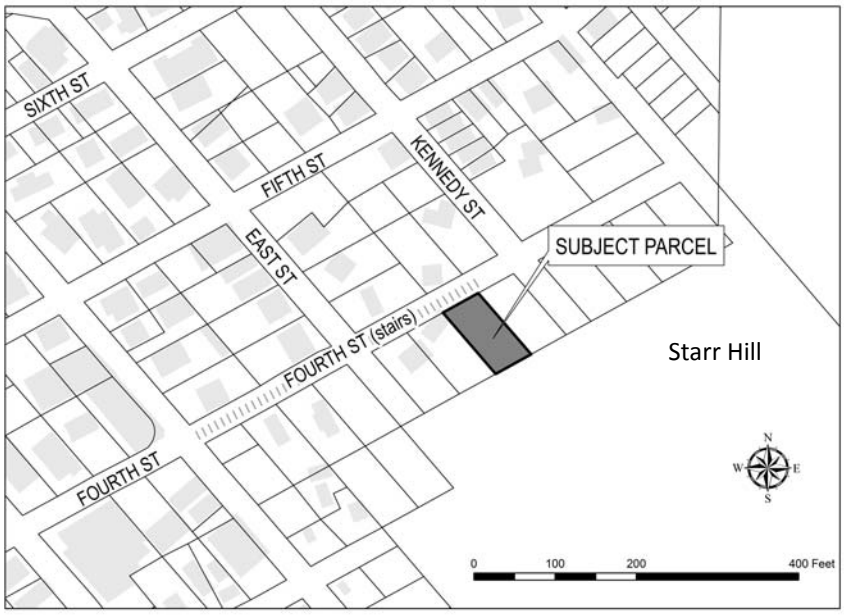


hereby certify that this is a true and correct plat;
at all walks, roads, easements and improvements thereon
as shown and that all overlaps and encroachments are as
own to the best of my knowledge.

	SCALE 1"=30	J.W. BEAN	AS-Built of: Lot 7, Blk 115, Juneau, Townsite within U.S.S. 7
/54	DATE 10/22/80		
99	SHEET OF		FOR: CAROL TAPLIN

Attachment C

NOTICE OF PUBLIC HEARING



City & Borough of Juneau
Community Development Department
155 S Seward St • Juneau, Alaska 99801

SHIP TO:

PROPOSAL: CBJ land disposal of a 4,893 square foot lot in the D-5 zoning district along the Fourth Street Right-of-Way.

File No:	CSP2017 0008	Applicant:	City & Borough of Juneau
To:	Adjacent Property Owners	Property PCN:	1-C04-0-A15-001-0
Hearing Date:	May 23, 2017	Owner:	City & Borough of Juneau
Hearing Time:	7:00 PM	Lot Size:	4,893 Square Feet
Place:	Assembly Chambers	Zoned:	D5
	Municipal Building	Accessed Via:	Fourth Street
	155 South Seward Street		
	Juneau, Alaska 99801		

PROPERTY OWNERS PLEASE NOTE:

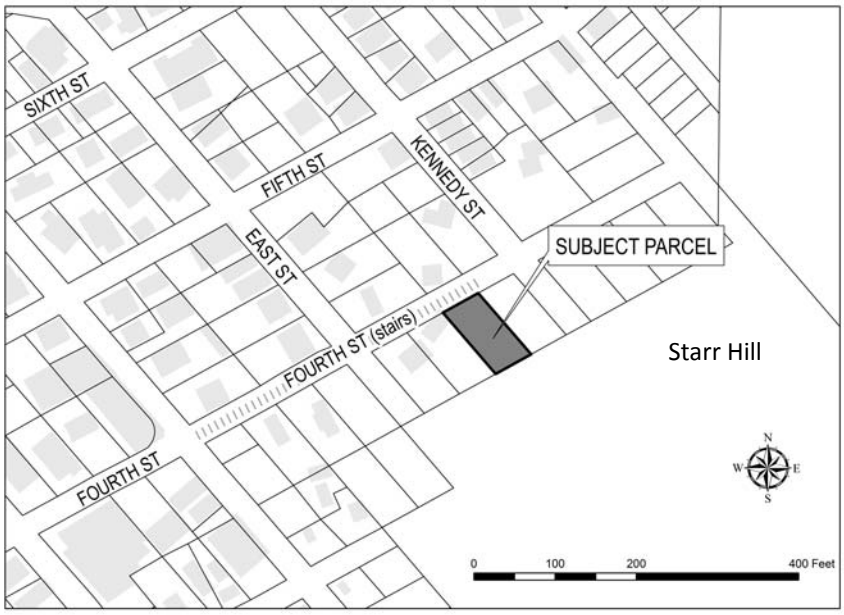
You are invited to attend this Public Hearing and present oral testimony. The Planning Commission will also consider written testimony. You are encouraged to submit written material to the Community Development Department 14 days prior to the Public Hearing. Materials received by this deadline are included in the information packet given to the Planning Commission a week before the Public Hearing. Written material received after the deadline will be provided to the Planning Commission at the Public Hearing.

If you have questions, please contact Christine Steadman at Christine.Steadman@juneau.org or (907) 586-0761.

Planning Commission Agendas, Staff Reports and Meeting Results can be viewed at http://www.juneau.org/assembly/novus.php

Date notice was printed: April 19, 2017

NOTICE OF PUBLIC HEARING



City & Borough of Juneau
Community Development Department
155 S Seward St • Juneau, Alaska 99801

SHIP TO:

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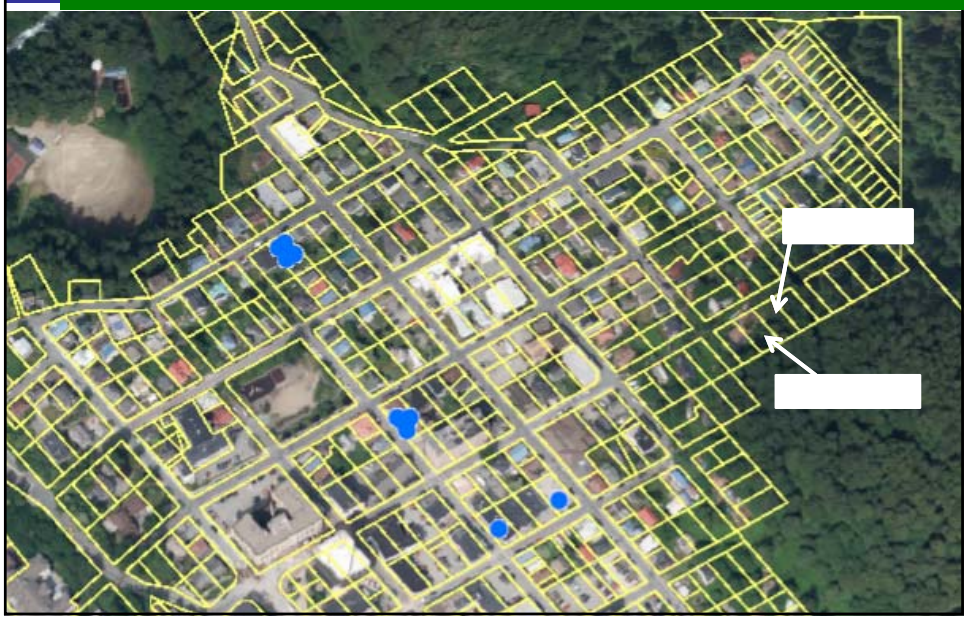
Date notice was printed: April 19, 2017

CSP2017 0008 – CBJ land disposal of a 4,893 square foot lot in the D-5 zoning district along the Fourth Street Right-of-Way.

May 23, 2017

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

CSP17-08 PROJECT AREA



CSP17-08 PROJECT DESCRIPTION

Applicant:	City & Borough of Juneau
Property Owner:	City & Borough of Juneau
Legal Description:	Lot 5 & 6 Fraction, Block 115, Juneau Townsite
Parcel Code No.:	1-C04-0-A15-001-0
Site Size:	4,893 square feet
Comprehensive Plan Future Land Use Designation:	Medium Density Residential – Single Family (MDR-SF)
Zoning:	D-5 single family/duplex
Utilities:	City water and sewer
Access:	Fourth Street stairway
Existing Land Use:	Vacant

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

CSP17-08 CONFORMITY WITH PLANS

Title 49 - CBJ 49.70.300(a)(1):

Development in all landslide and avalanche areas shall minimize the risk of loss of life or property due to landslides and avalanches.

2013 Comprehensive Plan

Review any proposed land disposals of CBJ-owned lands in light of their hazard classification; retain ownership of CBJ lands with moderate-to high-potential of avalanche or mass-wasting (landslide).

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

CSP17-08 CONFORMITY WITH PLANS

2016 CBJ Lands Plan

Land within hazard areas should be retained
Acquiring private land should result in a public benefit
Avoid erosion of the tax base

2009 All Hazards Mitigation Plan

Determine the most cost-effective method by which to reduce the avalanche hazard in the CBJ

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

CSP17-08 CONFORMITY WITH PLANS

With appropriate conditions, the disposal of this CBJ owned parcel within the severe hazard zone can meet the intent behind CBJ retaining property or acquiring private property within severe hazard zones.

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

CSP17-08 RECOMMENDATION

Staff recommends that the Planning Commission find CSP2017 0008 to be consistent with adopted local plans and polices, as required by CBJ 49.15.170(c), CBJ 49.15.580 and AS 35.30.010 and forward to the Assembly a recommendation for approval to allow for the sale of Lot 5 & 6 Fraction, Block 115, Juneau Townsite to the owners of Lot 7, Block 115, Juneau Townsite.

CITY AND BOROUGH OF JUNEAU COMMUNITY DEVELOPMENT

CSP17-08 RECOMMENDATION

This recommendation is based on the following condition:

1. The fraction of Lots 5 & 6 and Lot 7 of Juneau Townsite Block 115 shall be consolidated.

CITY AND BOROUGH OF JUNEAU COMMUNITY DEVELOPMENT

CSP17-08

QUESTIONS?

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

Community Development
(907) 586-0715
PC_Comments@juneau.org
www.juneau.org/plancomm
155 S. Seward Street • Juneau, AK 99801

PLANNING COMMISSION
NOTICE OF RECOMMENDATION

Date: May 24, 2017
File No.: CSP2017 0008

City and Borough of Juneau
CBJ Assembly Members
155 S Seward Street
Juneau, AK 99801

Proposal: Planning Commission Recommendation to the City and Borough Assembly regarding the CBJ land disposal of a 4,893 square foot lot in the D-5 zoning district along the Fourth Street Right-of-Way.

Legal Description or ROW name: Lot 5 & 6 Fraction, Block 115, Juneau Townsite

Parcel Code No.: 1-C04-0-A15-001-0

Hearing Date: May 23, 2017

The Planning Commission, at a regular public meeting, adopted the analysis and findings listed in the attached memorandum dated May 9, 2017 and recommended that the City Manager direct CBJ staff to implement the project in accordance with the following recommendations:

1. The fraction of Lots 5 & 6 and Lot 7 of Juneau Townsite Block 115 shall be consolidated.

Attachments: May 9, 2017 memorandum from Christine Steadman, Community Development, to the CBJ Planning Commission regarding CSP2017 0008.

This Notice of Recommendation constitutes a recommendation of the CBJ Planning Commission to the City and Borough Assembly. Decisions to recommend an action are not appealable, even

if the recommendation is procedurally required as a prerequisite to some other decision, according to the provisions of CBJ 01.50.020(b).

Project Planner: _____ _____

Christine Steadman, Planner II
Community Development Department

Benjamin Haight, Chair
Planning Commission

_____ May 25, 2017

Filed With City Clerk — Date

cc: Plan Review

NOTE: The Americans with Disabilities Act (ADA) is a federal civil rights law that may affect this development project. ADA regulations have access requirements above and beyond CBJ - adopted regulations. The CBJ and project designers are responsible for compliance with ADA. Contact an ADA - trained architect or other ADA trained personnel with questions about the ADA: Department of Justice (202) 272-5434, or fax (202) 272-5447, NW Disability Business Technical Center (800) 949-4232, or fax (360) 438-3208.

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
COMMUNITY DEVELOPMENT

(907) 586-0715
CDD_Admin@juneau.org
www.juneau.org/CDD
155 S. Seward Street • Juneau, AK 99801

DATE: May 9, 2017

TO: Planning Commission

FROM: Jill Maclean, AICP Senior Planner

Community Development Department

FILE NO.: AME2017 0007

PROPOSAL: Text amendment to revise Title 49 regarding Wireless Communication Facilities (WCF) 49.65.930 General Requirements (f) Setbacks.

The City and Borough of Juneau Code states in CBJ 49.10.170(d) that the Commission shall make recommendations to the Assembly on all proposed amendments to this title, zonings and re-zonings, indicating compliance with the provisions of this title and the Comprehensive Plan.

DISCUSSION

Upon review of the WCF section of code (49.65.900), it was noted that the example cited in 49.65.930 General Requirements (f) Setbacks, is incorrect as it is inconsistent with the text. It is recommended that the example is struck from the text.

49.65.930 General Requirements (f) Setbacks

(f) *Setbacks.* Freestanding towers and appurtenant structures shall be subject to the setbacks described below:

(1) If the tower is not constructed using breakpoint design technology, the minimum setback distance from the nearest property line shall be equal to the height of the proposed tower.

(2) If the tower has been constructed using breakpoint design technology, the minimum setback distance shall be equal to 110 percent of the distance from the top of the structure to the breakpoint level of the structure or the minimum yard setback requirements, whichever is greater. ~~**For example, on a 100-foot tall freestanding tower with a breakpoint at 80 feet, the minimum setback distance would be 22 feet (110 percent of 20 feet, the distance from the top of the tower to the breakpoint) plus the minimum side or rear yard setback requirements for that zoning district. Certification by a professional engineer registered in the State of Alaska of the breakpoint design and the design's fall radius must be provided with the application.**~~

(3) Any appurtenant structure shall be located so as to comply with the applicable minimum setback requirements for the property on which it is situated.

FINDINGS

Based upon the above analysis, staff finds that the proposed text amendment is consistent with Title 49. Additionally, this change would not create any internal inconsistencies within any plans or Codes.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission forward the following draft text amendments to the Assembly with a recommendation for approval:

1. Deleting the example provided in 49.65.930 General Requirements (f) Setbacks (2).

AME2017 0007

Text amendment to revise Title 49 regarding Wireless Communication Facilities (WCF) 49.65.930 General Requirements (f) Setbacks.

Planning Commission Hearing

May 23, 2017

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
COMMUNITY DEVELOPMENT

VAR2017 0004

49.65.930 General Requirements (f) Setbacks

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Recommendation

Staff recommends that the Planning Commission forward the following draft text amendment to the Assembly with a recommendation for approval:

1. Deleting the example provided in 49.65.930 General Requirements (f) Setbacks (2).

AME2017 0007

Text amendment to revise Title 49 regarding Wireless Communication Facilities (WCF) 49.65.930 General Requirements (f) Setbacks.

QUESTIONS?

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
COMMUNITY DEVELOPMENT

Community Development
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PC_Comments@juneau.org
www.juneau.org/plancomm
155 S. Seward Street • Juneau, AK 99801

PLANNING COMMISSION
NOTICE OF RECOMMENDATION
Date: May 25, 2017
File No.: AME2017 0007

City and Borough of Juneau
City and Borough Assembly
155 South Seward Street
Juneau, AK 99801

Proposal: Planning Commission Recommendation to the City and Borough Assembly regarding a text amendment to revise Title 49 regarding Wireless Communication Facilities (WCF) 49.65.930 General Requirements (f) Setbacks

Hearing Date: May 23, 2017

The Planning Commission, at its regular public meeting, adopted the analysis and findings listed in the attached memorandum dated May 9, 2017, and recommended that the City and Borough Assembly adopt staff's recommendation for Text amendment to revise Title 49 regarding Wireless Communication Facilities (WCF) 49.65.930 General Requirements (f) Setbacks, with one revision:

1. Deleting the example provided in 49.65.930 General Requirements (f) Setbacks (2), so that the text reads:

> (2) If the tower has been constructed using breakpoint design technology, the minimum setback distance shall be equal to 110 percent of the distance from the top of the structure to the breakpoint level of the structure or the minimum yard setback requirements, whichever is greater. ~~**For example, on a 100-foot tall freestanding tower with a breakpoint at 80 feet, the minimum setback distance would be 22 feet (110 percent of 20 feet, the distance from the top of the tower to the breakpoint) plus the minimum side or rear yard setback requirements for that zoning district.**~~ Certification by a professional engineer registered in the State of Alaska of the breakpoint design and the design's fall radius must be provided with the application.

Attachments: May 9, 2017 memorandum from Jill Maclean, Community Development, to the CBJ Planning Commission regarding AME2017 0007.

This Notice of Recommendation constitutes a recommendation of the CBJ Planning Commission to the City and Borough Assembly. Decisions to recommend an action are not appealable, even if the recommendation is procedurally required as a prerequisite to some other decision, according to the provisions of CBJ 01.50.020 (b).

Project Planner: Jill Maclean

Jill Maclean, Planner
Community Development Department

Benjamin C. Haight

Benjamin Haight, Chair
Planning Commission

Laurie J. Sica

Filed With City Clerk

May 25, 2017

Date

cc: **Plan Review**

NOTE: The Americans with Disabilities Act (ADA) is a federal civil rights law that may affect this recommended text amendment. ADA regulations have access requirements above and beyond CBJ - adopted regulations. Contact an ADA - trained architect or other ADA trained personnel with questions about the ADA: Department of Justice (202) 272-5434, or fax (202) 272-5447, NW Disability Business Technical Center (800) 949-4232, or fax (360) 438-3208.

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
COMMUNITY DEVELOPMENT

(907) 586-0715
CDD_Admin@juneau.org
www.juneau.org/CDD
155 S. Seward Street • Juneau, AK 99801

DATE: May 12, 2017

TO: Planning Commission

FROM: Laura A. Boyce, AICP, Planner
Community Development Department

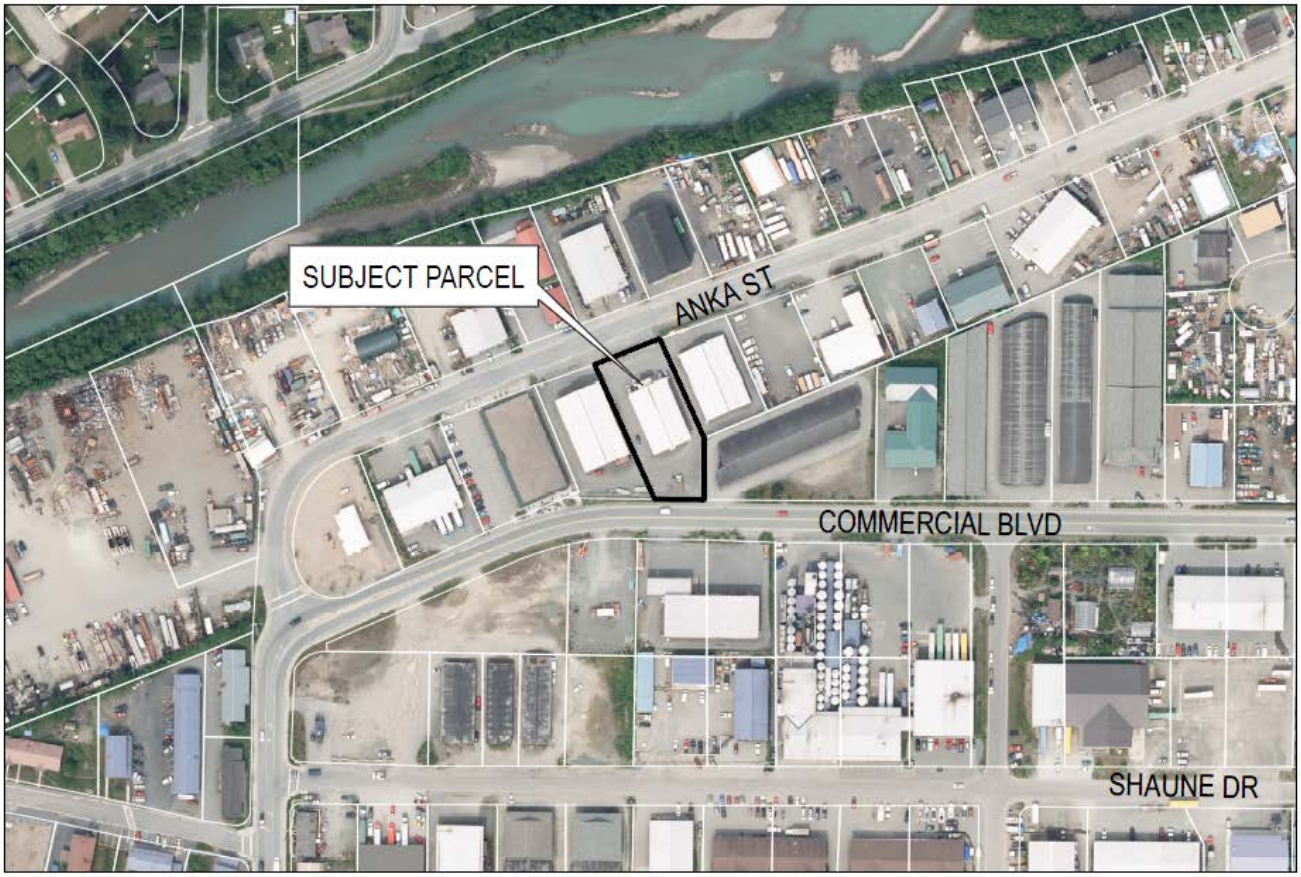
FILE NO.: USE2017 0006

PROPOSAL: Marijuana Cultivation Facility in the Industrial (I) Zone District.

GENERAL INFORMATION

Applicant:	Taku Horticulture Company, LLC
Property Owner:	Dennis and Linda Mayer
Property Address:	1758 Anka Street
Legal Description:	Lot 5A, Glacier Industrial III
Parcel Code Number:	5-B12-0-130-005-0
Site Size:	21,923 sf (0.503 acres)
Comprehensive Plan Future Land Use Designation:	LI (Light Industrial)
Zoning:	Industrial (I)
Utilities:	CBJ Water and Sewer
Access:	Anka Street
Existing Land Use:	Mini and private storage with a caretaker's unit
Surrounding Land Uses:	North - Commercial use (I) South - Commercial use (I) East - Mini-storage, Storage (I) West - Commercial use with caretaker's apartment (I)

Vicinity Map



VICINITY MAP FOR
GLACIER INDUSTRIAL III LT 5A

250 125 0 250 Feet

N

ATTACHMENTS

Attachment A: Conditional Use Permit application, including site plans
Attachment B: Public Notice

PROJECT DESCRIPTION

The applicant requests a Conditional Use permit for the development of a 8,996 square foot marijuana cultivation facility in an existing storage facility in the Industrial (I) zone on Anka Street. Initially, the 3,108 square foot upstairs portion will be used for cultivation. If the business does well, then the operation will expand into the 5,888 square foot first floor area.

BACKGROUND

The building proposed to be used for marijuana cultivation is currently used for mini-storage and private storage. There is a caretaker apartment on the second story occupied by a watchman, along with private storage use. The storage use and the associated caretaker's unit was approved by an Allowable Use permit, USE96-0014, and Design Review permit, DRP96-0044. A variance (VAR96-0036) was denied in 1996 for a reduction in the required 5% vegetative cover. The building was constructed in 1996 with the required building permits (BLD-1205501 and BLD-1241301). Mini-storage use will continue on the first floor and the second floor will contain marijuana cultivation and the caretaker's apartment. There are no other uses on the property.

The applicant has indicated a potential expansion in the future on the first floor for additional cultivation space as well as retail. This Conditional Use permit review includes the review for the first floor and second floor cultivation operations. A new Conditional Use permit will be needed for any future retail operation.

ANALYSIS

The applicant has submitted an application with the State of Alaska Marijuana Control Board and will obtain a CBJ Marijuana License if both the state license and this Conditional Use Permit (CUP) are approved. The inspection required for the CBJ marijuana license will ensure that the applicant is held to the plans as submitted, special use requirements found in CBJ 49.65.1200, and any conditions required by this permit.

According to CBJ 49.65.1245(e) an approved Conditional Use Permit for marijuana establishments is subject to review by the Commission every five years from the date of issuance.

Project Site – The subject lot was platted in 1995 (Plat No. 95-39). The subject lot has a width of 100 feet and a depth of 216 feet, resulting in a lot area of 21,923 square feet. The minimum lot size in the Industrial zone is 2,000 square feet. Setbacks in the Industrial zone are ten feet for the front and rear yards and zero feet for the side yards. The existing two story structure exceeds all of the minimum required yard setbacks. No exterior modifications or additions to the structure are proposed.

The 9,936 square foot commercial building contains two stories. The first floor, which is approximately 4,968 square feet, is used for mini-storage use. The second floor includes a 1,860 square foot caretaker's apartment and 3,108 square feet of storage use. Approximately 3,108 square feet of the second floor is to be initially occupied by the cultivation use with a future expansion of 4,563 square feet on the first floor for additional cultivation use. The caretaker's unit will remain. The applicant may apply for marijuana retail use in the future and will submit a Conditional Use permit (CUP) for that use.

	Existing Uses	Phase I Proposed Uses	Expansion Proposed Uses
First floor	4,968 square feet total – mini-storage use	Continued 4,968 mini-storage use	4,563 square feet of cultivation use (remainder 405 sf will be unused or for potential marijuana retail with an approved CUP)
Second floor	3,108 square feet storage use 1,860 caretaker's unit	3,108 cultivation use 1,860 caretaker's unit	3,108 cultivation use 1,860 caretaker's unit
Total Uses	8,076 storage use 1,860 caretaker's unit	4,968 sf storage use 3,108 sf cultivation use 1,860 sf caretaker's unit	8,996 sf cultivation use 1,860 sf caretaker's unit (405 sf potential marijuana retail with an approved CUP)

Project Design – The 9,936 square foot existing building will undergo interior renovations in order to accommodate the cultivation of marijuana and meet state and local marijuana regulation requirements. There are three entrances into the proposed cultivation area; two external doors and one internal door. All will be secured with cameras, alarms, motion detectors, door locks, entry key pads, and restricted access. The cultivation area will be secure and accessed only by those with a Marijuana Handler Permit or escorted registered visitors.

Only the second floor of the buildinghas windows. There is one window each for the proposed cultivation office space, the packaging, and trimming rooms, for a total of three windows. The applicant has stated that they will block the windows with nontransparent material for any window in which product may be visible. Please refer to the site plans in Attachment A.

The area where cultivation is proposed on the second floor is currently a single open space. The applicant intends to construct seven rooms, all connected by a common hallway. The rooms will be used for marijuana cultivation including a room for blooming, vegetation, drying, trimming, and packaging. In addition, there will be space for storage, waste, an ADA restroom, and a secure lobby/entry area.

On the first floor where cultivation is expected to expand in the future, the existing mini-storage space will be converted to four rooms for cultivation use, including a room for blooming, extraction, drying, and trimming. Another ADA accessible restroom will be located on the first floor. 405 square feet of area on the first floor is proposed for future marijuana retail. If the applicants intend to pursue that use, a separate Conditional Use permit is required.

CBJ 49.65.1245 identifies additional requirements for marijuana establishments. Those items to be reviewed are detailed below.

Ventilation & Filtration/Odor – The applicant is proposing to use high output fans that will pull unwanted air through charcoal scrubbers and exhaust out of the building. Charcoal filters out odor. There are four charcoal filters proposed in the second floor cultivation area. The first floor expansion area will include six charcoal filters in the cultivation area. Ultraviolet light (UV) filtration will also be used. The applicant has indicated that two Mission Air Systems by Excel Air will be purchased and used for filtration purposes.

The applicants will also use carbon dioxide for plant enrichment in the cultivation rooms. There will be a CO_2 monitoring system that will keep levels within state and local compliance. The proposed CO_2 usage is in compliance with the state and local regulations. CO_2 usage is subject to review by the CBJ Fire Marshal and will be inspected accordingly.

Fungicides & Pesticides – The applicant proposes using natural pesticides for pest control. Azamax is the applicant's preferred method, although a hydrogen peroxide solution may also be used. These are consistent with the pesticides list provided by the Alaska Department of Environmental Conservation to be used on marijuana crops provided by the Alaska Department of Environmental Conservation.

Security – According to CBJ 49.65.1245(a)(2) applicants are required to submit a security plan. State regulations require exterior lighting, alarm systems, video monitoring and commercial grade door locks. The site plan in Attachment A identifies the proposed security requirements, such as:

- Restricted areas where unescorted visitors are not allowed to enter,
- Exterior lighting,
- Exterior cameras,
- Interior cameras,

- Interior motion detectors,
- Locked doors and key pads for entry, and
- Alarm sensors on doors and windows.

The secure office space will house the surveillance hardware. The applicant's indicate in their narrative in Attachment A that Doak's Lock and Key will install and monitor the security system. Conditions are proposed requiring a detailed security plan that shows the field of vision of each security camera, as well as ensuring that cameras have unobstructed views of the doors and activity areas. A caretaker will also continue to live on site.

Waste disposal – The applicants propose to implement hydroponic cultivation methods which means there will be less growing medium needed per plant. Grow stones will be used as the preferred medium which require washing and reuse of the material. Wastewater will be disposed of in exterior landscaping. Plant waste will be kept to a minimum and unusable material will undergo special processing prior to disposal.

For waste that cannot be reused, the applicant will grind up the waste and mix it with another organic material in order to render it unusable as required by state regulations. The waste will be stored in airtight containers, in view of surveillance cameras. Staff recommends as a condition of approval that all waste containing marijuana product shall be stored in a locked enclosure until transported to the CBJ landfill.

Screening – CBJ 49.65.1245(a)(4) prohibits marijuana product from being visible to the general public from the right-of-way. As shown in the application materials, only the second floor of the building has windows. The applicant has stated that any window to a room that includes product will be blacked out. Only the office, packaging, and trimming rooms have a window. There is no ability to see into the facility from the public right-of-way. With the first floor expansion, cultivation will take place in fully enclosed rooms.

CBJ 49.15.330(g) identifies the general items that staff reviews for all Conditional Use Permits. Those items are detailed below.

Traffic – Traffic to and from the site will consist of employees and supply delivery. The applicant states that deliveries would not occur more than three times a week. Additional traffic will be generated by the existing mini-storage in the building, along with the caretaker's trips. The applicant anticipates four to six employees during the hours of 7 a.m. and 7 p.m., seven days a week. Supply deliveries such as CO_2 will occur infrequently on a weekly or biweekly basis. The cultivation use likely results in minimal addition to the overall traffic generated by the use. Marijuana is harvested cyclically and, once packaged, a large amount could be transported in a single trip.

CBJ 49.40.300 states that a traffic impact analysis is NOT required when a development is projected to generate less than 250 average trips in a day. Further, the expected traffic generated by this proposed application is no more than expected from other uses permitted in the district.

Parking and Circulation – According to CBJ 49.40.210 the total number of parking spaces required for the proposed cultivation, mini-storage, and caretaker's establishment is 10. There are already 17 parking spaces on site, one of which is a van-accessible parking space, as required by Code.

Use	Use parking space requirement	Size of use	Parking spaces required
Office	1 per 300 sf	106 sf	0.35
Marijuana Cultivation	1 per 1,000 sf	2,973 sf	2.9
Storage	1 per 1,000 sf	4,740 sf	4.7
Caretaker unit	2	N/A	2
Total			10

CBJ 49.40.210(b)(3) requires that for 1 to 25 parking spaces, one space must be ADA accessible. Accessible spaces are required to be 13 feet by 17 feet, including an access aisle that measures 5 feet by 17 feet. The required number of standard parking spaces and ADA spaces per CBJ 49.40.210(b)(1)&(b)(3)(C) already exist. One loading space is required by Code. Although the site plan shows adequate room for a loading space, this is not detailed on the plan. A condition requiring a revised site plan illustrating the loading space is recommended.

Noise – All marijuana associated activities take place inside the building. Minimal noise is expected. The site is in an Industrial zoning district. Noise is expected to be less than other uses that may be permitted outright in the Industrial Zone.

Public Health or Safety – Several aspects of public health and safety related to a marijuana cultivation facility were addressed in previous sections of this report including CO_2 use, security, and odor management. CO_2 will be used in the cultivation process and governed by the requirements found in the International Fire Code and CBJ Title 19, the Building Code. CO_2 levels used to grow marijuana are well below the safe limits for sustained human exposure prescribed by OSHA at 5,000 ppm. However, a CO2 monitoring system will be in place to alert if CO_2 levels reach an unsafe threshold.

The applicant has indicated that they plan to use a hydroponic cultivation method and use non-toxic and organic means of pest control. Any risk of toxic substances being transferred to a consumer is minimized by this growing method.

The applicant's proposal meets all the state and local requirements for security including an alarm system, video surveillance, lighting, door locks, and appropriate signage. Finally, charcoal filters will be used in all grow rooms in the ventilation and filtration system to manage marijuana odor.

Habitat – No habitat regulated by CBJ Title 49 is affected by this proposal.

Vegetative Cover – CBJ 49.50.300 requires five percent of the site be maintained with live vegetative cover. For this site, 1,096 square feet of vegetative cover is required. Review of 2013 aerial photography as well as a site visit by staff confirmed that the vegetative cover requirement has not been met. A condition is recommended to require that the vegetative cover be in place prior to issuance of the marijuana license.

Property Value or Neighborhood Harmony – Adjacent existing uses in the neighborhood include additional mini-storage, a caretaker's unit, warehousing, and general industrial uses. Higher traffic generators, such as Costco and Home Depot, are in the vicinity located on Commercial Boulevard.

The marijuana cultivation facility is expected to produce less traffic, noise, and odor with its low number of employees, air filtration, and internal operation than these adjacent uses and should therefore have a neutral effect on the neighborhood. At the time of this staff report, no comments were received from the public. There is no evidence to suggest the use will have impact on property value or be out of harmony with the neighborhood.

Conformity with Adopted Plans – The proposed project is located in Subarea 5 of the 2013 Comprehensive plan and has a land use designation of Light Industrial (LI). According to the LI land use designation definition found on page 148 of the Comprehensive Plan, small- to medium-scale food production and processing and other manufacturing processes should be allowed on these lands. The proposed marijuana cultivation facility is a similar type of use.

Staff further reviewed the 2013 Comprehensive Plan for policies that may be relevant to the proposal:

POLICY 5.1. TO DEVELOP AND SUSTAIN A DIVERSE ECONOMY, PROVIDING OPPORTUNITIES FOR EMPLOYMENT FOR ALL RESIDENTS.

POLICY 5.18. TO ENCOURAGE AND SUPPORT ENTREPRENEURSHIP AND INNOVATION IN THE ECONOMY OF JUNEAU AND SOUTHEAST ALASKA.

The proposed development would help to diversify the economy and is a new business as encouraged by these policies. The proposed marijuana cultivation facility is consistent with the 2013 Comprehensive Plan.

FINDINGS

CBJ 49.15.330 (e)(1), Review of Director's Determinations, states that the Planning Commission shall review the Director's report to consider:

1. Whether the application is complete;
2. Whether the proposed use is appropriate according to the Table of Permissible Uses; and,
3. Whether the development as proposed will comply with the other requirements of this chapter.

The Commission shall adopt the Director's determination on the three items above unless it finds, by a preponderance of the evidence, that the Director's determination was in error, and states its reasoning for each finding with particularity.

CBJ 49.15.330 (f), Commission Determinations, states that even if the Commission adopts the Director's determination, it may nonetheless deny or condition the permit if it concludes, based upon its own independent review of the information submitted at the public hearing, that the development will more probably than not:

1. Materially endanger the public health or safety;
2. Substantially decrease the value of or be out of harmony with property in the neighboring area;
   or,
3. Not be in general conformity with the comprehensive plan, thoroughfare plan, or other officially adopted plans.

Per CBJ 49.15.330 (e) & (f), Review of Director's & Commission's Determinations, the Director makes the following findings on the proposed development:

1. Is the application for the requested conditional use permit complete?

Yes. Staff finds the application contains the information necessary to conduct review of the proposed operations. The application submittal by the applicant, including the appropriate fees, substantially conforms to the requirements of CBJ Chapter 49.15.

2. Is the proposed use appropriate according to the Table of Permissible Uses?

Yes. The requested permit is appropriate according to the Table of Permissible Uses. The permit is listed at CBJ 49.25.300, Section 14.240 for the Industrial zoning district.

3. Will the proposed development comply with the other requirements of this chapter?

Yes. The proposed development complies with the other requirements of this chapter. Public notice of this project was provided in the May 12, 2017 and December 22, 2017 issues of the Juneau Empire's "Your Municipality" section, and a Notice of Public Hearing was mailed to all property owners within 500 feet of the subject parcel. Moreover, a Public Notice Sign was posted on the subject parcel, visible from the public Right of Way. Additionally the proposed development complies with CBJ 49.65.1245.

4. Will the proposed development materially endanger the public health or safety?

No. The applicant has proposed a surveillance and security system that meets the minimum state and local regulations. Further, much of the use, aside from employee and other occasional delivery traffic, is contained indoors in a secure facility where unescorted non-employees are not permitted.

5. Will the proposed development substantially decrease the value of or be out of harmony with property in the neighboring area?

No. The use is adjacent to storage, warehousing, and other industrial uses with similar and more intense off-site impacts such as noise and traffic. The proposed marijuana cultivation facility is not expected to decrease the value of or be out of harmony with property in the neighborhood.

6. Will the proposed development be in general conformity with the land use plan, thoroughfare plan, or other officially adopted plans?

Yes. The development of private businesses in Juneau is supported by the Comprehensive Plan. Further, the Light Industrial land use designation supports manufacturing uses.

Per CBJ 49.70.900 (b)(3), General Provisions, the Director makes the following Juneau Coastal Management Program consistency determination:

7. Will the proposed development comply with the Juneau Coastal Management Program?

N/A. This is not applicable to this application.

RECOMMENDATION

It is recommended that the Planning Commission adopt the Director's analysis and findings and grant the requested Conditional Use permit. The permit would allow the development of an 8,996 square foot marijuana cultivation facility in the Industrial zone.

The approval is subject to the following conditions:

1. All waste containing marijuana product shall be stored in a locked enclosure until transported to the CBJ landfill.
2. Prior to approval of a CBJ marijuana license, it shall be demonstrated that surveillance cameras have an unobstructed view of each doorway in the building.
3. Prior to approval of a CBJ marijuana license, it shall be demonstrated that security cameras have an unobstructed view of areas of regular activity without sight blockage from lighting hoods, plants, fixtures, or other equipment in the building.
4. Prior to approval of a CBJ marijuana license, a revised surveillance camera plan shall be submitted to ensure the room has adequate surveillance coverage.
5. Vegetative cover totaling 1,096 square feet shall be shown on a site plan, reviewed and approved by CBJ staff, and installed prior to issuance of a CBJ marijuana permit. The vegetative cover areas shown on the plans shall be maintained with live vegetative cover.
6. Prior to approval of a CBJ marijuana license, a revised site plan illustrating the required parking and loading spaces shall be submitted and approved by staff.

DEVELOPMENT PERMIT APPLICATION

Project Number	CITY and BOROUGH of JUNEAU	Date Received:
USE 2017-0006		3/20/17
Project Name (City Staff to Assign Name)		

INFORMATION

Project Description
Marijuana cultivation facility

PROPERTY LOCATION

Street Address	City/Zip
1758 Anka St.	Juneau 99801

Legal Description(s) of Parcel(s) (Subdivision, Survey, Block, Tract, Lot)
Building B Suite A1 Lot 5A, Glacier Industrial III

Assessor's Parcel Number(s)
5-B12-0-130-005-0

PROJECT / APPLICANT

LANDOWNER/ LESSEE

Property Owner's Name	Contact Person:	Work Phone:
Dennis/Linda Mayer	Dennis Mayer	907-723-7779
Mailing Address	Home Phone:	Fax Number:
E-mail Address	Other Contact Phone Number(s):	

LANDOWNER/ LESSEE CONSENT ***Required for Planning Permits, not needed on Building/ Engineering Permits***

I am (we are) the owner(s)or lessee(s) of the property subject to this application and I (we) consent as follows:

A. This application for a land use or activity review for development on my (our) property is made with my complete understanding and permission.
B. I (we) grant permission for officials and employees of the City and Borough of Juneau to inspect my property as needed for purposes of this application.

X Dennis Mayer — Landowner/Lessee Signature — Date: 2-21-17

X _____ Landowner/Lessee Signature — Date

NOTICE: The City and Borough of Juneau staff may need access to the subject property during regular business hours and will attempt to contact the landowner in addition to the formal consent given above. Further, members of the Planning Commission may visit the property before the scheduled public hearing date.

APPLICANT If the same as OWNER, write "SAME" and sign and date at X below

Applicant's Name	Contact Person:	Work Phone:
Taku Horticulture Company, LLC.	David L. Turner	907-723-0106
Mailing Address	Home Phone:	Fax Number:
8425 Valley Blvd.		
E-mail Address	Other Contact Phone Number(s):	
dturner907@yahoo.com	907-723-7963 Aaron Overton/907-209-4248 G.L.	

X [signature] — Applicant's Signature — Date of Application: 2/21/17

STAFF APPROVALS

OFFICE USE ONLY BELOW THIS LINE

✔	Permit Type	*SIGN	Date Received	Application Number(s)
	Building/Grading Permit			
	City/State Project Review and City Land Action			
	Inquiry Case (Fee In Lieu, Letter of ZC, Use Not Listed)			
	Mining Case (Small, Large, Rural, Extraction, Exploration)			
	Sign Approval (If more than one, fill in all applicable permit #'s)			
	Subdivision (Minor, Major, PUD, St. Vacation, St. Name Change)			
✔	Use Approval (Allowable, Conditional, Cottage Housing, Mobile Home Parks, Accessory Apartment)		3/20/17	USE 17-006
	Variance Case (De Minimis and all other Variance case types)			
	Wetlands Permits			
	Zone Change Application			
	Other (Describe) _____			

***Public Notice Sign Form filled out and in the file.

Comments:

Permit Intake Initials: TJP

NOTE: DEVELOPMENT PERMIT APPLICATION FORMS MUST ACCOMPANY ALL OTHER COMMUNITY DEVELOPMENT DEPARTMENT APPLICATIONS

Attachment A

ALLOWABLE/CONDITIONAL USE PERMIT APPLICATION

Project Number	Project Name (15 characters)	Case Number	Date Received
		CUP 17-006	3/20/17

TO BE COMPLETED BY THE APPLICANT

TYPE OF ALLOWABLE OR CONDITIONAL USE PERMIT REQUESTED

☐ Accessory Apartment*** (AAP) ☐ Driveway in Right-of-Way (ADW)

☑ Use Listed in §49.25.300 (Table of Permissible Uses) (USE)

Please list the Table of Permissible Uses Category: Marijuana Establishment 14.245

***An Accessory Apartment Application will also be required.

DESCRIBE THE PROJECT FOR WHICH AN ALLOWABLE OR CONDITIONAL USE APPROVAL IS NEEDED.

Standard marijuana cultivation.

IS THIS A MODIFICATION OF AN EXISTING APPROVAL? ■ NO ☐ YES – Case # _____

CURRENT USE OF LAND OR BUILDING(S): Private storage

PROPOSED USE OF LAND OR BUILDING(S): Marijuana cultivation / private storage.

UTILITIES PROPOSED: WATER: ■ Public ☐ On Site SEWER: ☒ Public ☐ On Site

SITE AND BUILDING SPECIFICS:

Total Area of Lot 21,923.36 square feet Total Area of Existing Structure(s) 9936 square feet

Total Area of Proposed Structure(s) 3100 square feet

EXTERNAL LIGHTING:

Existing to remain ■ No ☐ Yes – Provide fixture information, cutoff sheets, and location of lighting fixtures

Proposed ☐ No ■ Yes – Provide fixture information, cutoff sheets, and location of lighting fixtures

PROJECT NARRATIVE AND SUBMITTAL CHECKLIST:

- ☒ Site Plan
- ☒ Floor Plan of proposed buildings
- ☒ Elevation view of existing and proposed buildings
- ☑ Proposed Vegetative Cover
- ☒ Existing and proposed parking areas (including dimensions) and proposed traffic circulation
- ☒ Existing Physical Features of the site (drainage, habitat, hazard areas, etc.)

For more information regarding the permitting process and the submittals required for a complete application, please see the reverse side.

If you need any assistance filling out this form, please contact the Permit Center at 586-0770.

ALLOWABLE/CONDITIONAL USE FEES

	Fees	Check No.	Receipt	Date
Application Fees	$ 350			
Admin. of Guarantee	$			
Adjustment	$			
Pub. Not. Sign Fee	$ 50			
Pub. Not. Sign Deposit	$ 100			
Total Fee	$ 500	186712	004079	3/20/17

NOTE: MUST BE ACCOMPANIED BY DEVELOPMENT PERMIT APPLICATION FORM

Attachment A

Community Development

City & Borough of Juneau • Community Development
155 S. Seward Street • Juneau, AK 99801
(907) 586-0715 Phone • (907) 586-4529 Fax

Marijuana Cultivation

Case Number:	PAC20170009
Project Description:	Change of use from storage and caretakers residence to marijuana cultivation
Applicant:	Taku Horticulture Company, LLC
Property Owner:	Dennis Mayer
Property Address:	1758 Anka St
Parcel Code Number:	5B1201300050
Site Size:	21923 sq ft
Zoning:	Industrial
Existing Land Use:	Commercial mix

Conference Date:	3/1/2017 @ 10:30 am
Report Issued:	3/2/2017

List of attendees

Note: Copies of the Pre-Application Conference Report will be emailed, instead of mailed, to participants who have provided their email address below.

Name	Title	Email address
Troy Mayer David Turner Aaron Overton	Applicant	northernlights@gci.net dturner907@yahoo.com
Ron King	Chief Regulatory Surveyor	Ron.King@Juneau.org
Eddie Quinto Kyle Paw	Permit Staff	Edward.Quinto@Juneau.org Kyle.Paw@Juneau.org
Dan Jager Sven Pearson	Fire Marshal	Dan.Jager@Juneau.org Sven.Pearson@Juneau.org
Tim Felstead	Planner	Tim.Felstead@Juneau.org
John Young	Commercial Plans Reviewer	John.Young@Juneau.org

Neighborhood Association/Contact: N/A

8. Ventilation and filtration/odor – some odor can be released as long as it will not annoy anyone. Title 49 provides a definition of what is acceptable. Constant heavy smells are likely to draw complaints.
9. Building – Add square footage to each room and label purpose of each room. Think about future expansion to the downstairs area. Give potential layout now. Mention possible future activities now.
10. Fungicides, pesticides and fertilizer – mention what products you intend to use for these purposes.
11. Screening - Marijuana product from being visible to the general public from the right-of-way. Suggest all windows should be screened (not able to see inside from exterior). Though 2nd floor office windows will not be required to be screened since they will not be visible to general public from Right of Way. Comment on this in the narrative.
12. Fire District – Look at Fire handout attached. Technical details on the CO2 system should be provided.
13. Traffic – Comment on number of employees. Number of deliveries for supplies and number of collections each week should be estimated.
14. Engineering – NA
15. Noise – Noise impacts are in keeping with the area.
16. Drainage – No change to existing situation.
17. Utilities – (water, power, sewer, etc.) - No additional water down sewer. Most operations have a closed system with water being put back into plants. General Engineering suggested releasing water as storm water or adding to outdoor vegetation. Suggest checking with AK DEC that this is allowed.
18. Wetlands – N/A
19. Habitat – (Eagle, Riparian, etc.) – NA
20. Hazard/Mass Wasting/Avalanche/Hillside Endorsement – NA
21. Flood – NA
22. Plat or covenant restrictions – None observed that would affect operation
23. Other Agency Reviews – (DOT&PF, AlcOhol Beverage Control Board, Corps of Engineers, DEC waste-water, DNR, USF&WL, FAA, US Coast Guard, Corrections etc.) – Other relevant agencies will be copied into application for comment.

List of required applications

Based upon the information submitted for pre-application review, the following list of applications must be submitted in order for the project to receive a thorough and speedy review.

1. Development permit Application
2. Conditional Use permit application including:
    a. Narrative. What you have is a good start. Address additional points included in this report and break it into the relevant headings used in the attached staff report for another cultivation operation.
    b. Site plan showing parking and vegetative coverage (to release bond)
    c. Relevant building plans showing proposed layout, labelled rooms, room sizes, alarms locations, exterior lighting, camera locations (including field of vision), windows, doors etc.
    d. Photos of site (a planner will most likely need to come and do a site visit as well)

Attachment A

Taku Horticulture Company, LLC
David L. Turner
1750 Anka St.
Building B, Ste. A
Juneau, AK 99801
907.723.0106
ALASKA JUNEAU
Parcel #
Zone: Industrial

Conditional Use Permit Application

Taku Horticulture Company, LLC, (THC), will operate as a marijuana cultivation facility. Our plan is to produce and sell marijuana to a wholesale market.

The address is listed as industrial use. Our production facility will have very little, if any, impact on the surrounding businesses. First floor of the building is public storage owned and operated by D&L Rentals. Second floor is split into two units. One is a private residence and the other a private storage unit. The 69'x53' personal storage space will become our facility. Non-load bearing walls will be built to allow separation of space.

Depending on the marijuana market and growth of the company, there is a possibility of utilizing the storage unit space on the first floor. Tenants will be given notice of change in business. The entire building, with exception of watchman's apartment, will become the facility. About 2/3 of the first floor will be cultivation and the remaining 1/3 will be split for extraction and retail. Solvent less extraction methods, ice extraction along with Rosin technology will be used for extracting cannabinoids.

There are 12 parking spaces. Two of which are reserved for the private residence, 6 spaces for public storage access and 4 spaces provided for THC.

Automation of production means THC will operate 24 hours per day. Labor will be performed by 4-6 employees during the hours of 7 am to 7 pm, Sunday-Saturday.

THC will contract a local security/alarm company, (Doak's Lock&Key), to install and maintain security surveillance equipment. Such devices as motion detectors, window/door alarms, cameras, monitors and storage for record keeping of security cameras.

Surveillance cameras will be installed to allow a view of each entrance and exit of the building. The exterior of the building will have security lights illuminating a 20' radius. This will ensure clear footage of surveillance cameras on a 24 hour period.

All doors entering the facility will remained locked, 24 hours per day. The only exception will be to allow employees to perform tasks related to the operation of the facility.

Multiple surveillance cameras will be installed throughout the inside of the facility. Surveillance cameras will record on a 24 hour period. All surveillance footage will be stored and kept on a 40 day time period for review by official employees of THC, Juneau Police Department (JPD) or agent of state marijuana control office. Security signs will be posted

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throughout the interior and exterior of the premises. No loitering signs will also be posted on the exterior of premises. Employees will receive instruction on how to deter/recognize loitering.

There will be a locked door outside of the waiting/lobby of the facility. A second heavy duty steel door with Bluetooth activated lock will lead into restricted access areas. A doorbell will notify employees of visitor/guests. A maximum of 4 visitors/guests are allowed a guided tour of cultivation areas only. Security, drying, mechanical, trimming rooms are off limits to visitors/guests. There will be marked borders and signs posted as precaution to visitors/guests. No admittance into the facility to minors. Visitors/guests will sign in a guest book with full name, duration of visit, purpose of visit, state ID number and signature.

In the circumstance of a breach in security during non business hours, a manager or official employee will contact JPD, security monitoring company and owner of the business. Immediate action will be performed to secure the facility if needed.

THC will implement hydroponic cultivation methods. This allows for little growing medium to be used, 1.5 liters of medium per plant. Grow stones is our choice of growing medium. The stones will be washed and reused. Waste water will be disposed of through exterior landscaping. Plant waste will be kept to a minimum. We plan on introducing a defoliation technique which will introduce an edible or usable product to the market. Undesirable plant material will undergo a process before disposal. All undesirable plant material will be entered into METRC, state regulations will apply. Mulching, mixing with dirt, waste water, then placed into an airtight container. The container will be stored in view of surveillance cameras for up to, no less then a 72 hour time period. This process breaks down the plant material and could then be used in compost if desired.

State of the art technology, LED's will be applied to our lighting system. Our lamps will radiate 70% less heat than standard HID grow lights. High output fans will pull unwanted air through charcoal scrubbers and exhaust out of the building. Charcoal filters out 99.7% percent of undesirable odor in the air. In addition to environmental controls we will implement CO_2 enrichment through the cultivation rooms. A monitoring system will keep levels of CO_2 within compliance with applicable state and local regulations/codes.

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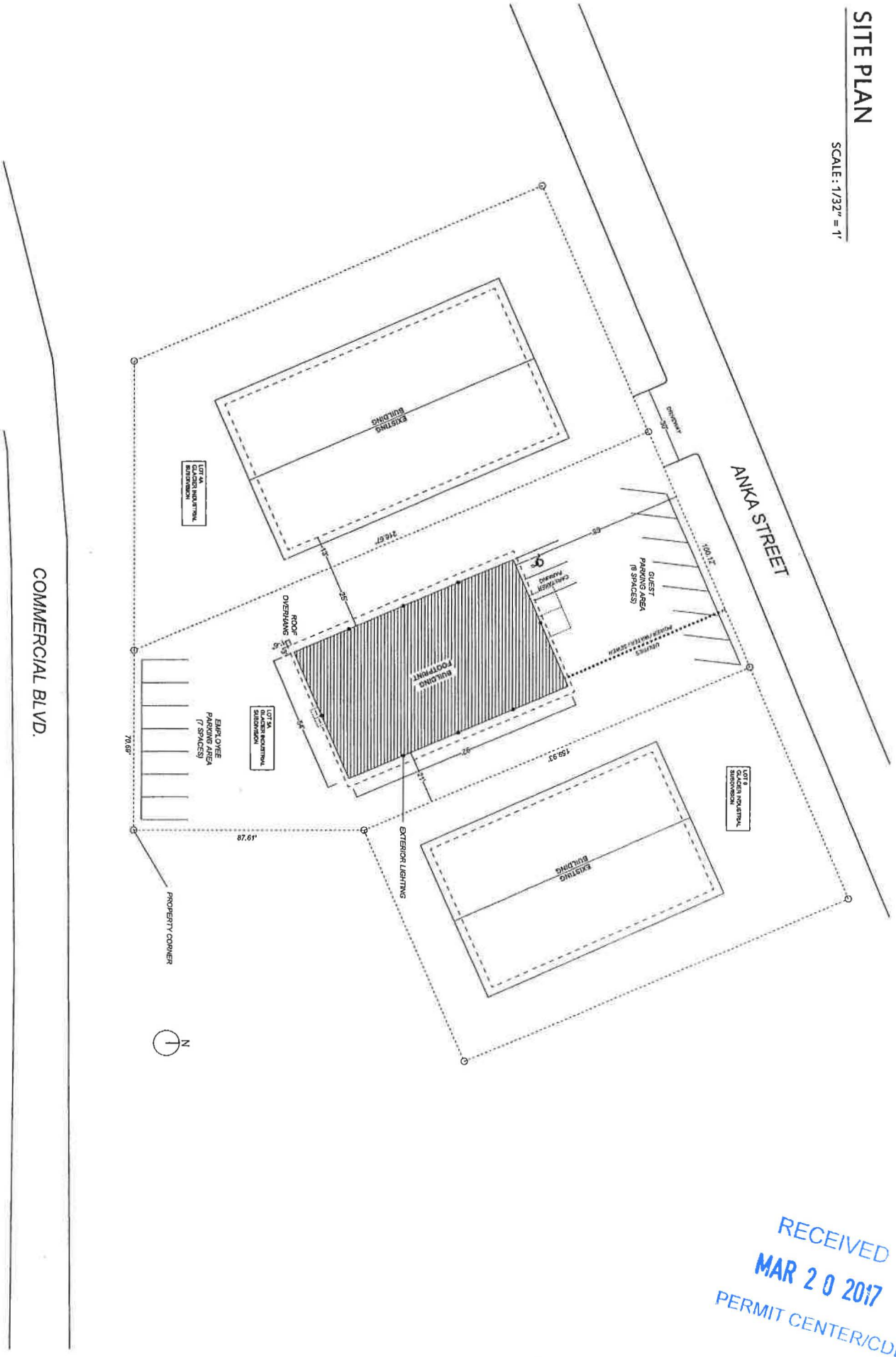
SITE PLAN

SCALE: 1/32" = 1'



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Attachment A

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★ REVIEWS

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Autopilot (http://www.hydrogalaxy.com/brands/Autopilot.html)

Autopilot CO2 Generator LP 11310-18104 BTU APCG8LP

☆☆☆☆☆Write a review

~~$474.95~~ $365.39

(You save $109.56)

Sign Up to see what your friends like.

SKU: APCG8LP

Weight: 22.00 LBS

Quantity: 1

Add To Cart Add to Wishlist

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btu/&media=http://cdn2.bigcommerce.com/server2100/da4db/products/43820/images/101114/. c=2&description=Hydro Galaxy - Autopilot CO2 Generator LP 11310-18104 BTU APCG8LP, $365.3 control/co2-equipment/co2-generator-lp-11-310-18-104-btu/))

G+1

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Dimensions:

Width: 10.00
Height: 18.00
Depth: 15.00

Product Description

Attachment A

CO2 Generator LP 11,310-18,104 BTU 21.2 CU/FT Hr.

Safest and most reliable CO_2 generators on the market.

The easiest way to accelerate plant growth. Carbon dioxide is one of the essential ingredients in green plant growth. The Autopilot CO_2 Generator provides the carbon dioxide to meet maximum growing potential, and operates for only pennies a day.

Autopilot CO_2 generators feature powder-coated steel enclosures that resist moisture, rust and discoloration - providing years of trouble-free operation.

Our two-stage safety pilot valve does not allow fuel to flow to the burner unless the pilot is lit, and will shut down the fuel supply in the event the unit falls or tips over. The solid state electronic ignition module creates a spark to light the burners. Autopilot CO_2 generators are available in both propane and natural gas models.

Features

- Dual solenoid valves
- Precision manufactured brass burners
- Solid state electronic ignition module—no pilot light necessary
- Tip over switch shuts off gas source if the unit falls or tips over
- Shut down warning with LED error indicator light
- Fabricated with all high quality components
- Easy to operate

Components

★ REVIEWS

8 pre-mounted brass burners
12' gas hose and pressure regulator
Hanging hardware kit
24V power supply

ifications

- 1.5 amps/120 volts
- Provides 22 cubic feet per hr of CO_2
- For spaces larger than 14' x 14'

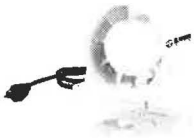
Other top rated products

Grower's Edge...
(https://yotpo.com/go/CzlrTUbt)
★☆☆☆☆(1)
$17.99

Hydrofarm Jump Start...
(https://yotpo.com/go/zm36gdrj)
★★★★★(4)
$75.59

Grower's Edge...
(https://yotpo.com/go/xWyZo
★★★★★(1)
$10.79

Super Sprouter...
(https://yotpo.com/go/fUVqIT
$38.69


Blauberg 4" Axial Inline...
(https://yotpo.com/go/epaa6
$31.49

Gro1
★★
$15

Powered by (http://my.yotpo.com/landing_page?redirect=https%3A%2F%2Fwww.yotpo.com%2Fverified-product-reviews-by-yotpo&utm_campaign=branding_link_reviews_widget_v2&utm_medium=widget&utm_source=hydrogalaxy.com)

(http://my.yotpo.com/landing_page?redirect=https%3A%2F%2Fwww.yotpo.com%2 reviews-by-yotpo&utm_campaign=branding_link_reviews_widget_v2&utm_medium=widget&utm_s

☆☆☆☆☆

WRITE A REVIEW ASK A QUESTION

Reviews (0) Questions (0)

RECEIVED
MAR 2 0 2017
PERMIT CENTER/CITY

★★★★★

Attachment A

Search...

- Catalog
- Climate Control
- Air Purification
- Can Filter Group
- Can 38-Special 150 Carbon Air Filter - No Flange

Can 150

Recommended Max CFM: 1260 CFM
Min CFM: 630 CFM
Flange: 10" - 12"
Outside Diameter: 38cm / 15"
Height: 150cm / 59"
Total Weight: 138 lbs
Carbon Bed: 2"
Recommended Fan:

FAN	Filtered Air CFM	Watts
16" MaxFan	1410	322
14" MaxFan	1230	250
12" MaxFan	1440	480
12" CanFan HO	888	290
10" MaxFan	907	227

CAN 38-SPECIAL 150 CARBON AIR FILTER - NO FLANGE

SKU:
CF358651

10"-12" - No Flange - CF358651 ▼

Suggested Retail
$333.32

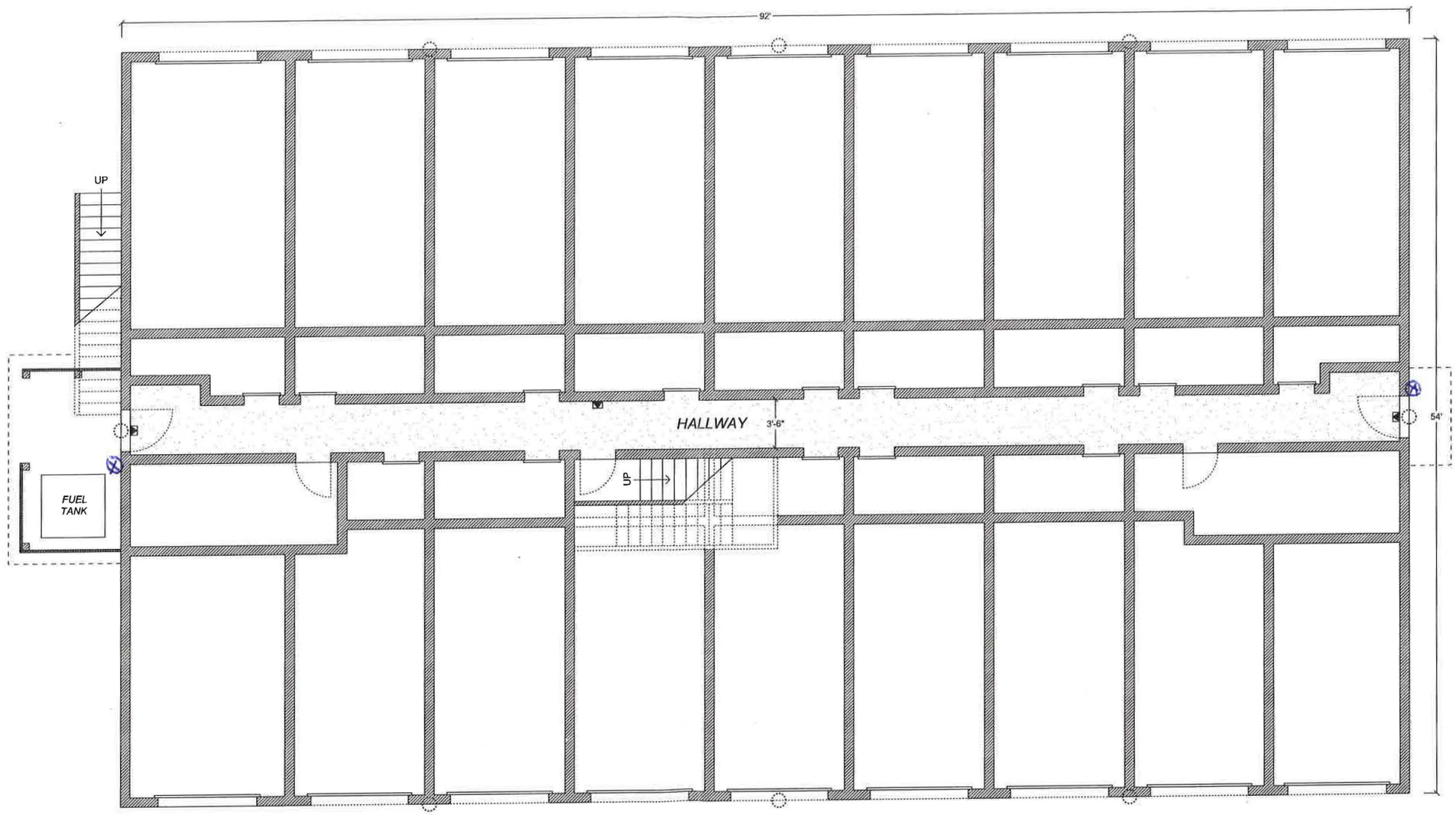
RECEIVED
MAR 20 2017
PERMIT CENTER/CDD

- **Overview**
- **Specifications**
- **Related Items**
- **Product Info**

Attachment A

CURRENT
FIRST LEVEL

SCALE : 1/8" = 1'



LEGEND

- CAMERA
- EXTERIOR LIGHTING
- EXIT SIGN W/ EMERGENCY LIGHTING
- PARTITION WALL

RECEI
MAR 20 20
PERMIT CENTER/CO

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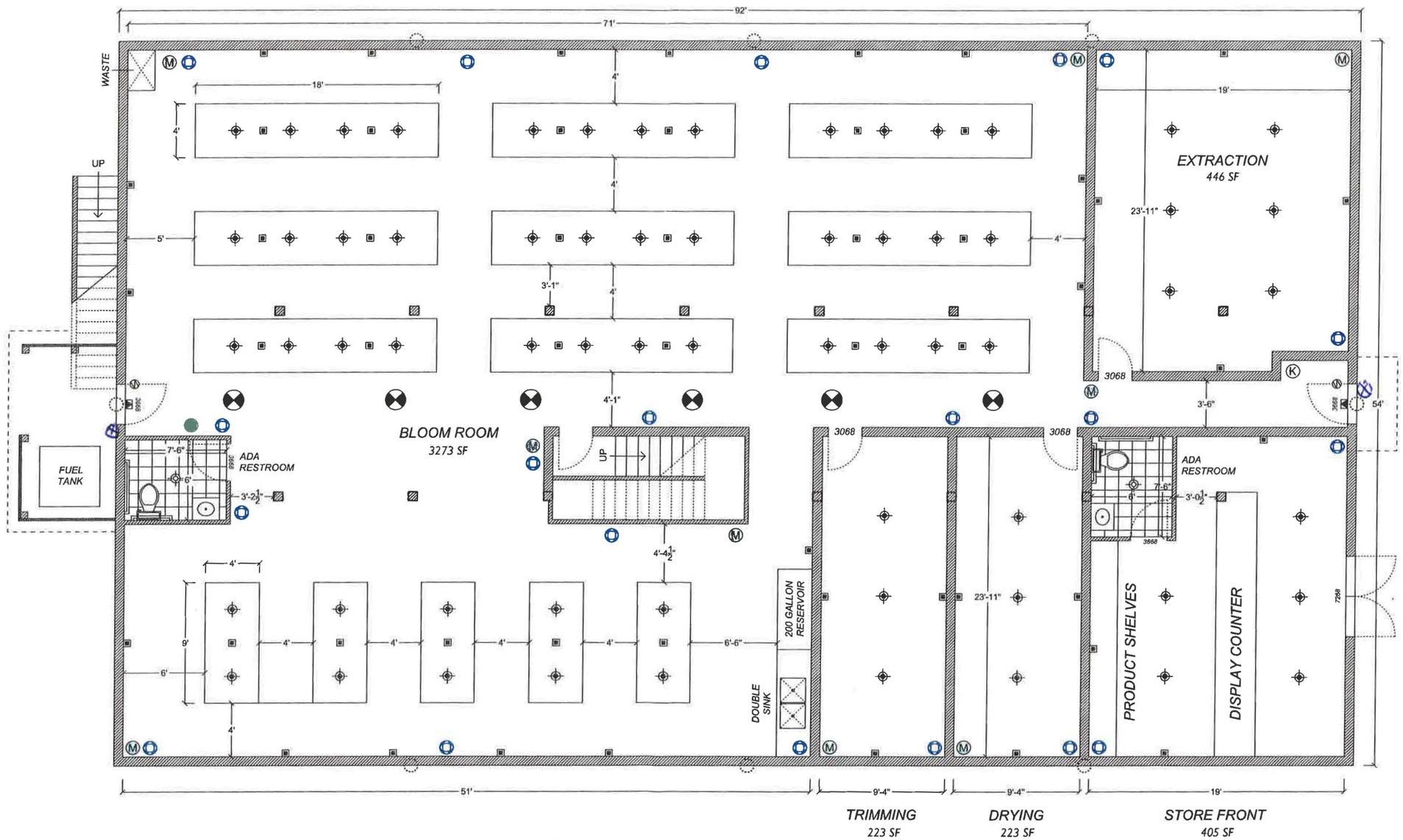
Attachment A

FIRST LEVEL

SCALE : 1/8" = 1'

EXPANSION PROPOSAL



LEGEND

OVERHEAD LIGHTING	CAMERA
4 GANG BOX	MOTION DETECTOR
CHARCOAL FILTER	KEY PAD
EXTERIOR LIGHTING	ALARM SENSOR
EXIT SIGN W/ EMERGENCY LIGHTING	

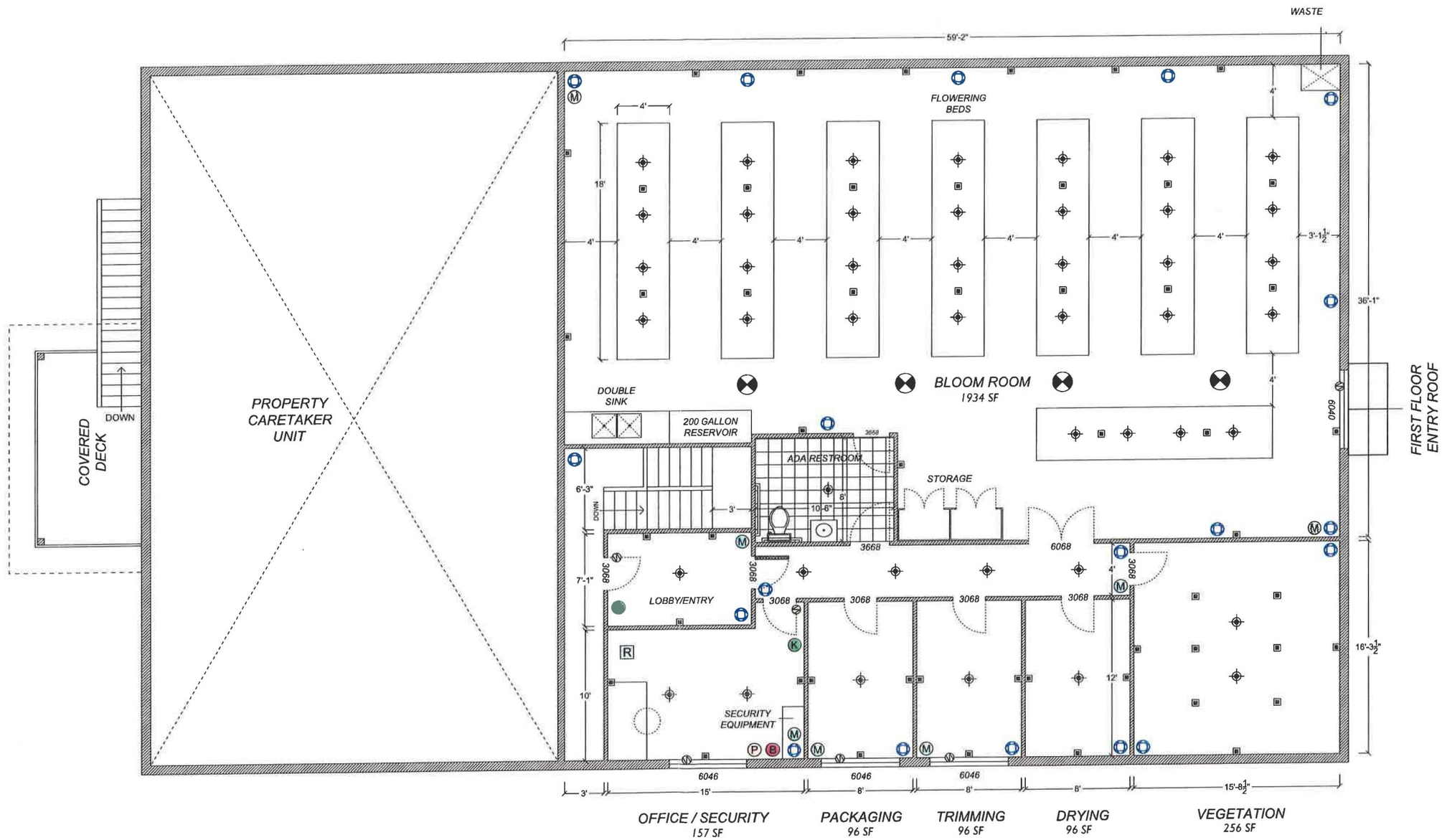
RECEIVED
MAR 2 0 2017
PERMIT CENTER/CDD

N

Attachment A

SECOND LEVEL

SCALE : 1/8" = 1'



LEGEND

OVERHEAD LIGHTING	RECORDER
4 GANG BOX	MOTION DETECTOR
CHARCOAL FILTER	KEY PAD
CAMERA	BELL
ALARM SENSOR	ALARM PANEL
SECURITY DOOR	

RECEIVED
MAR 20 2017
PERMIT CENTER

Attachment A

D & L RENTALS
HEATED
D & L RENTALS
HEATED AND UNHEATED
MINI STORAGE, SHOP SPACE
& OFFICE SPACE AVAILABLE
780-6860
EXISTING
STORAGE
ENTRY/EXIT
PROPOSED
TAKU HORTICULTURE CO.
ENTRY/EXIT
RECEIVED
MAR 20 2017
PERMIT CENTER/CDD

RECEIVED
MAR 20 2017
PERMIT CENTER/CDD

Attachment A

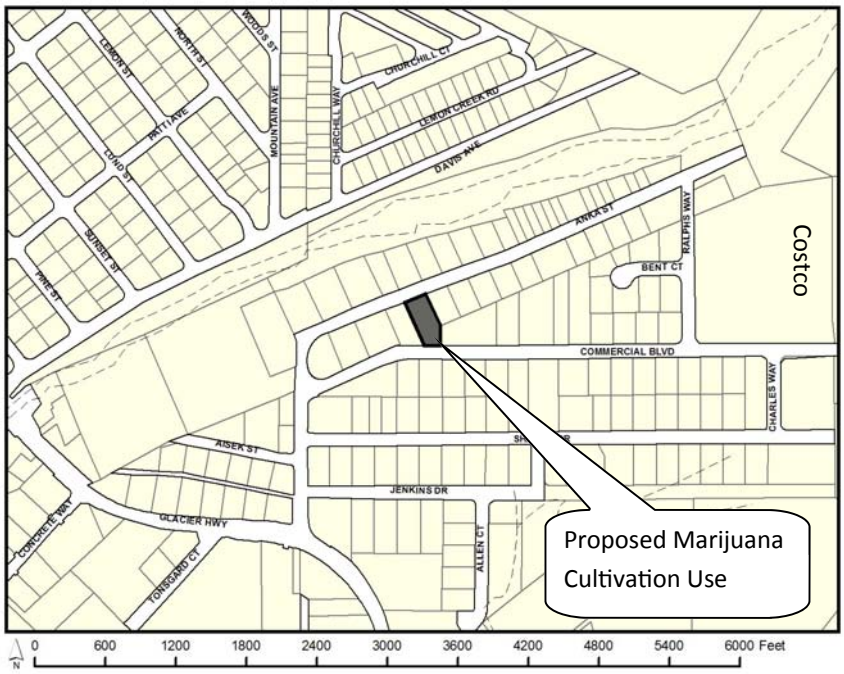
RECEIVED
MAR 2 0 2017
PERMIT CENTER/CDD

RECEIVED
MAR 20 2017
PERMIT CENTER/CU

Attachment A

RECEIVED
MAR 20 2017
PERMIT CENTER/CDL

NOTICE OF PUBLIC HEARING



City & Borough of Juneau
Community Development Department
155 S Seward St • Juneau, Alaska 99801

SHIP TO:

PROPOSAL: A Conditional Use Permit for a Marijuana Cultivation facility in an Industrial zone

File No:	USE2017 0006	Applicant:	Taku Horticulture Company
To:	Adjacent Property Owners	Property PCN:	5-B12-0-130-005-0
Hearing Date:	May 23, 2017	Owner:	Dennis Mayer
Hearing Time:	7:00 PM	Lot Size:	21,923 square feet
Place:	Assembly Chambers	Zoned:	Industrial (I)
	Municipal Building	Site Address:	1758 Anka Street
	155 South Seward Street	Accessed Via:	Anka Street
	Juneau, Alaska 99801		

PROPERTY OWNERS PLEASE NOTE:

You are invited to attend this Public Hearing and present oral testimony. The Planning Commission will also consider written testimony. You are encouraged to submit written material to the Community Development Department 14 days prior to the Public Hearing. Materials received by this deadline are included in the information packet given to the Planning Commission a week before the Public Hearing. Written material received after the deadline will be provided to the Planning Commission at the Public Hearing.

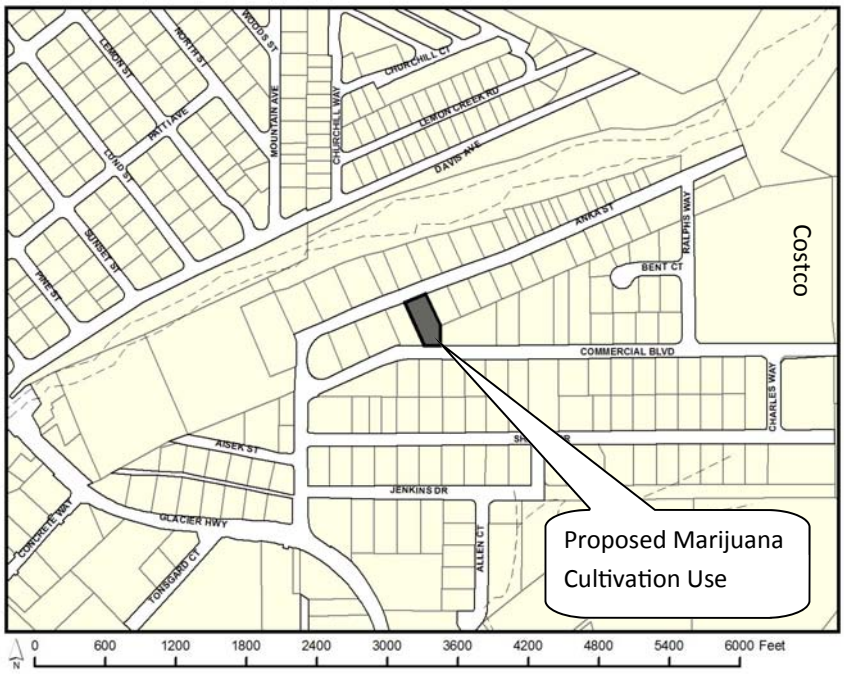
If you have questions, please contact Laura Boyce at Laura.Boyce@juneau.org or (907) 586-0753.

Planning Commission Agendas, Staff Reports and Meeting Results can be viewed at http://www.juneau.org/assembly/novus.php

Date notice was printed: April 21, 2017

Attachment B

NOTICE OF PUBLIC HEARING



City & Borough of Juneau
Community Development Department
155 S Seward St • Juneau, Alaska 99801

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Planning Commission Agendas, Staff Reports and Meeting Results can be viewed at http://www.juneau.org/assembly/novus.php

Date notice was printed: April 21, 2017

USE2017 0006 CUP for Marijuana Cultivation

Planning Commission Presentation
May 23, 2017

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

Blue Folder Items

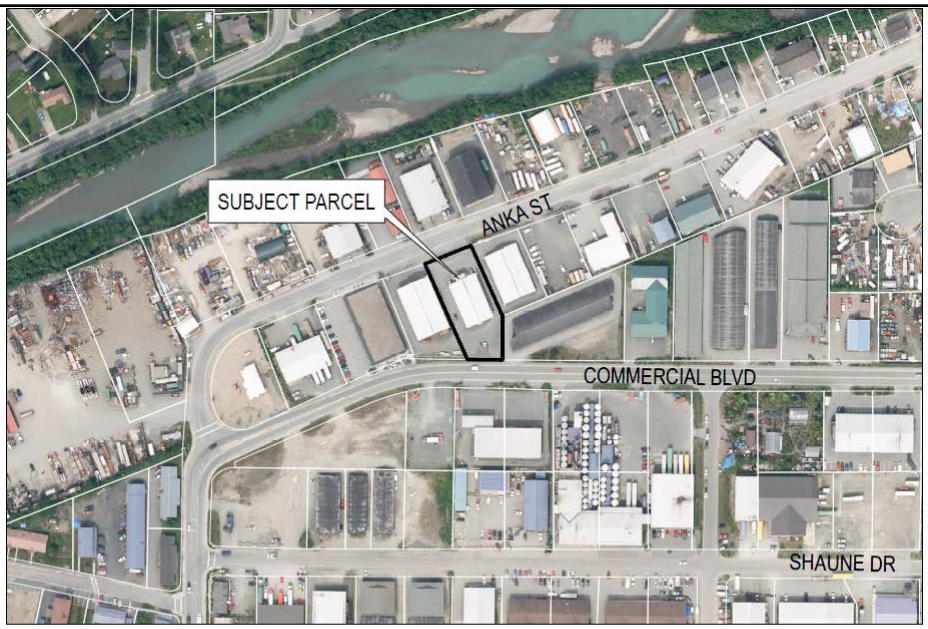
- Robin Potter, CBJ Assessor Statement
- Correspondence from Granite Mountain Properties, LLC.
- Correspondence from Ms. Morrison
- Filtration System Spec. Sheets & Additional Information from the Applicant
- Property Value Report – submitted on behalf of GMP, LLC.

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

USE2017 0006

Applicant:	Taku Horticulture
Business Owners:	Aaron, David Turner
Property Owner:	Dennis Mayer
Property Address:	1758 Anka Street
Size Size:	21,923 square feet
Comprehensive Plan Land Use Designation:	Light Industrial (LI)
Zone District:	Industrial (I)
Utilities:	CBJ Water & Sewer
Access:	Anka Street
Existing Use:	Storage Facility with caretaker's unit
Proposed Use:	Marijuana Cultivation

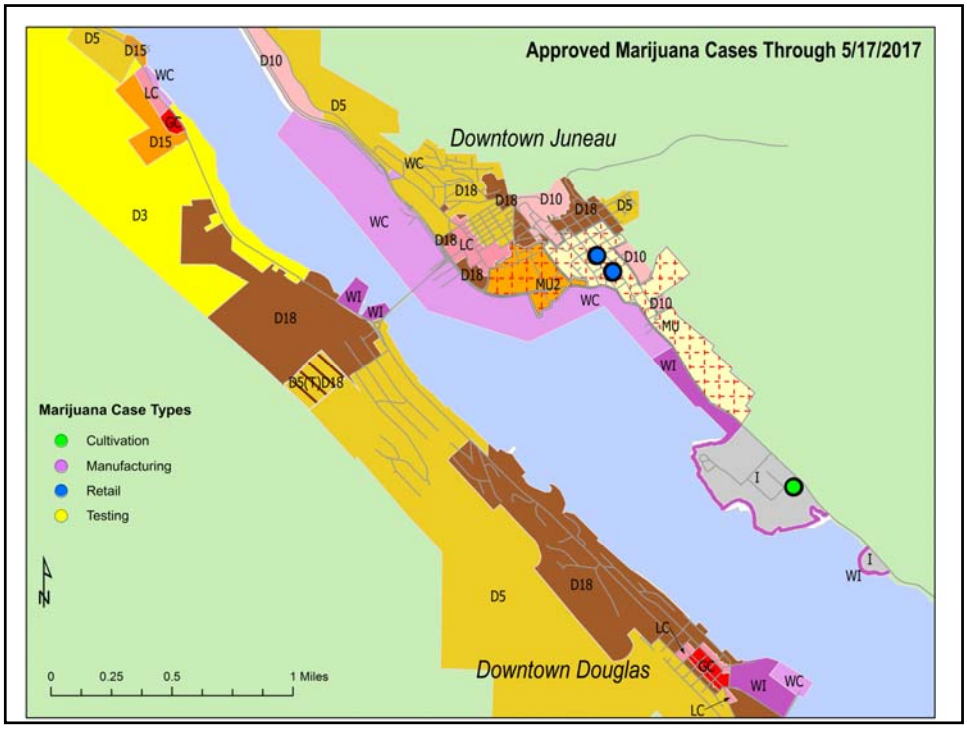
CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

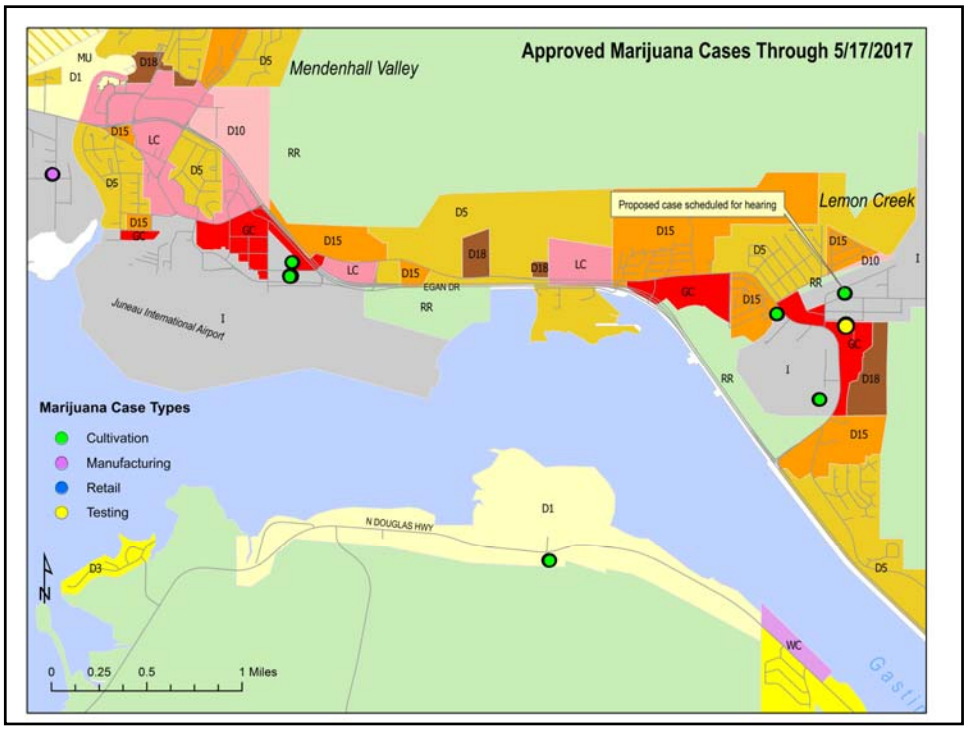


VICINITY MAP FOR GLACIER INDUSTRIAL III LT 5A

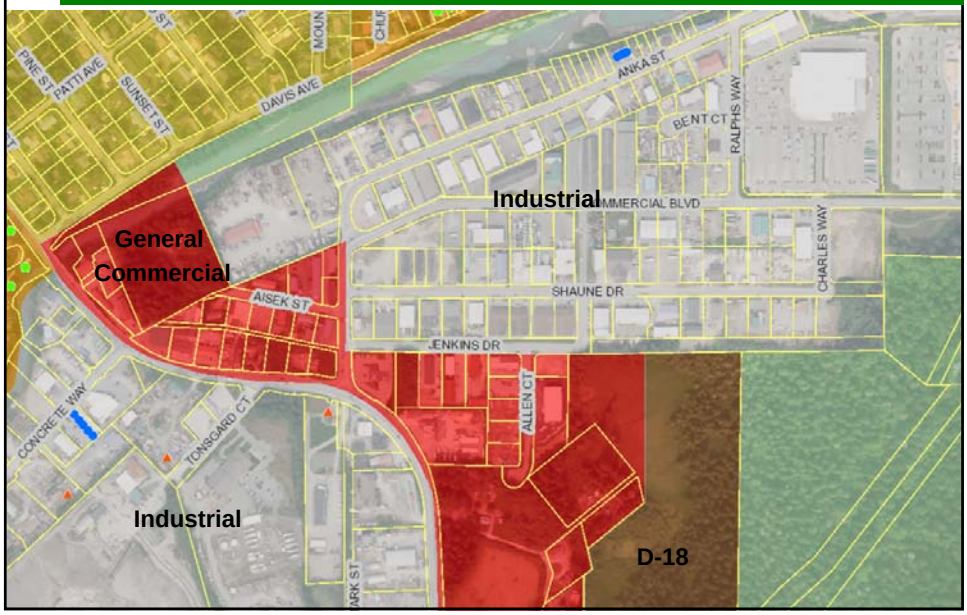
250 125 0 250 Feet

N


Approved Marijuana Cases Through 5/17/2017
Downtown Juneau
Downtown Douglas
Marijuana Case Types
Cultivation
Manufacturing
Retail
Testing
0 0.25 0.5 1 Miles


Approved Marijuana Cases Through 5/17/2017
Mendenhall Valley
Lemon Creek
Proposed case scheduled for hearing
Juneau International Airport
EGAN DR
N DOUGLAS HWY
Marijuana Case Types
Cultivation
Manufacturing
Retail
Testing
0 0.25 0.5 1 Miles

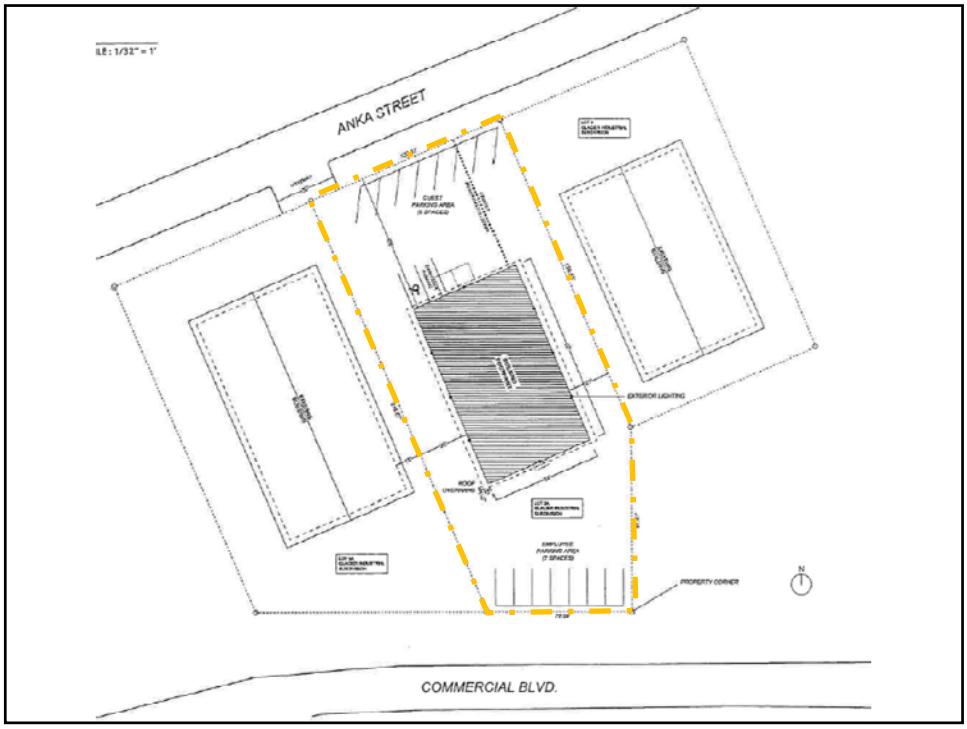
Zoning Map



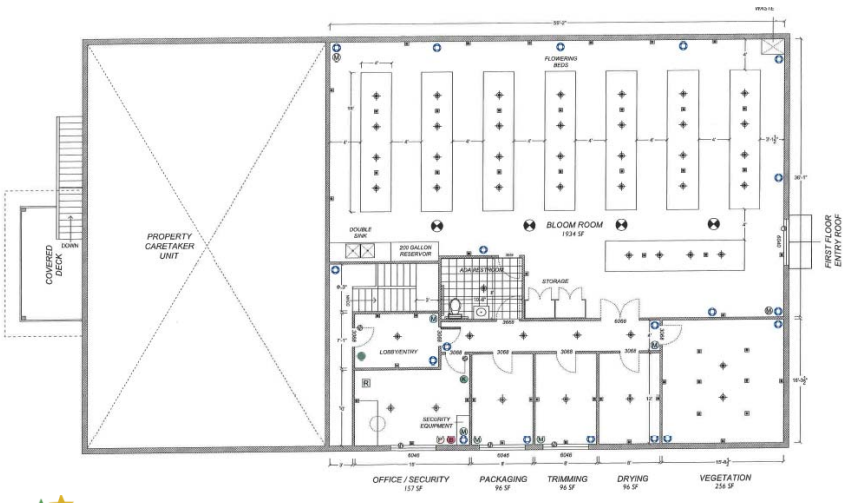
Industrial Zone District Purpose

The I, industrial district is intended to accommodate industrial activity which includes manufacturing; processing; repairing and assembling goods. Because of noise, odors, waste and other impacts inherent in industrial activity, performance standards are applied.

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

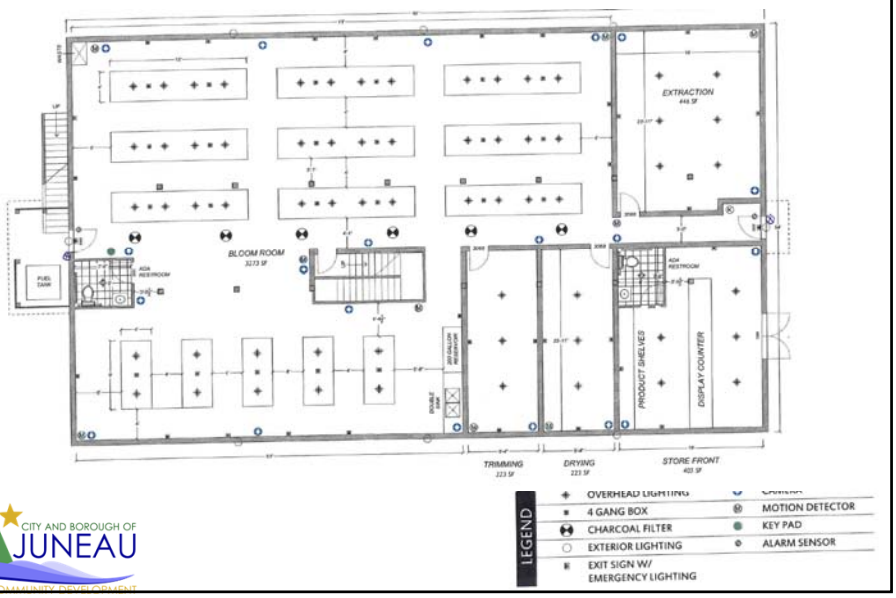


Second Floor



CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

First Floor



CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

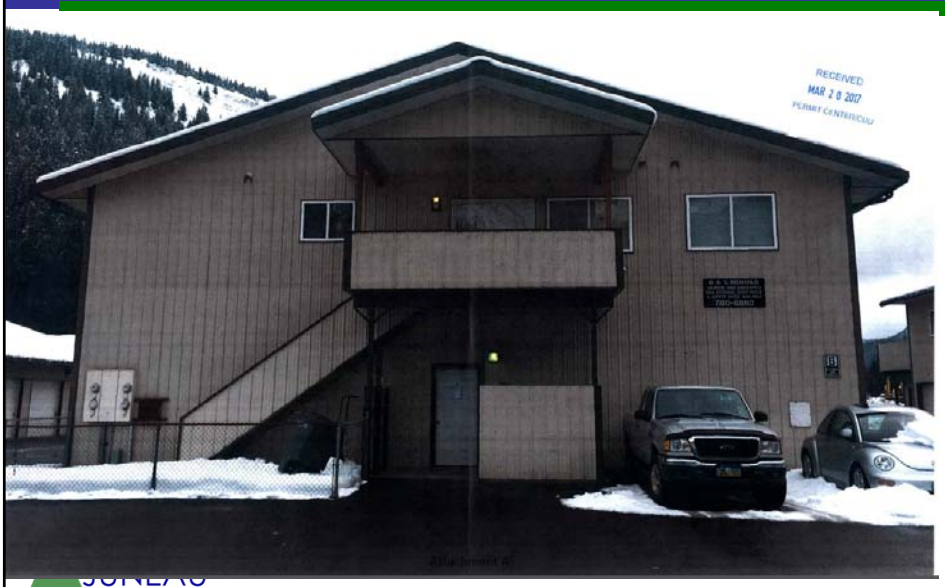
Site Photos

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

Site Photos

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

Site Photos



Site Photos

Site Photos

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

Analysis

STANDARD CONDITIONAL USE PERMIT REVIEW CRITERIA

- ❑ Parking and Circulation
- ❑ Traffic
- ❑ Noise
- ❑ Lighting
- ❑ Public Health and Safety
- ❑ Property Value and Neighborhood Harmony
- ❑ Conformity with Comprehensive Plan

CITY AND BOROUGH OF JUNEAU COMMUNITY DEVELOPMENT

Analysis

Conditional Use Permit Application Submittal Requirements Per Ordinance 2015-38

- ❑ Security Plan
- ❑ Waste Disposal Plan
- ❑ Ventilation & Filtration Plan
- ❑ Carbon Dioxide Use Disclosure
- ❑ Mold Prevention Methods

CITY AND BOROUGH OF JUNEAU COMMUNITY DEVELOPMENT

Conformity with Comprehensive Plan

POLICY 5.1. TO DEVELOP AND SUSTAIN A DIVERSE ECONOMY, PROVIDING OPPORTUNITIES FOR EMPLOYMENT FOR ALL RESIDENTS.

POLICY 5.18. TO ENCOURAGE AND SUPPORT ENTREPRENEURSHIP AND INNOVATION IN THE ECONOMY OF JUNEAU AND SOUTHEAST ALASKA.

Light Industrial (LI).

Land to be developed for heavy commercial or light industrial uses such as small- to medium-scale food processing; printing and other business services; wholesale trade; research and development laboratories; light manufacturing processes; metal fabrication; warehousing; trucking; animal kennels; crematoria; indoor and outdoor storage; car, boat, and heavy equipment sales; and repair and maintenance activities. Residential units should be limited to caretaker units where the occupant works directly for or owns the business for which the occupant is caretaking.

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

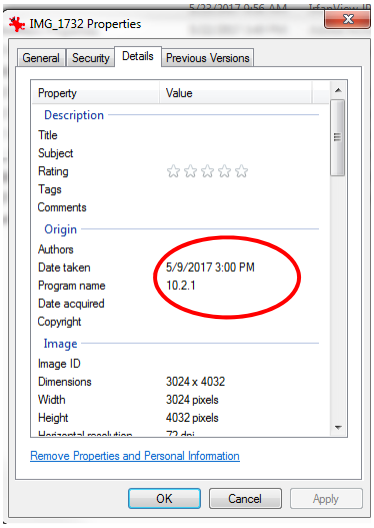
CBJ Property Appraiser

In summary, I was unable to find any information to support legal grow facilities having a negative impact upon surrounding commercial properties. There is some evidence where illegal commercial grow facilities in residential neighborhoods have lowered values, mainly due to odors and mold in uncontrolled environments. If anything commercial grow facilities have caused an upsurge in demand, values and economic benefits.

Robin Potter ACAA III
Assessor, Finance Department
City & Borough of Juneau
155 S. Seward Street
Juneau, AK 99801
907.586.0333
http://www.juneau.org/financeftp/assessor_main.php

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

USE2017 0006



CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

Findings

1. Is the application for the requested conditional use permit complete?

   Yes.

2. Is the proposed use appropriate according to the Table of Permissible Uses?

   Yes.

3. Will the proposed development comply with the other requirements of this chapter?

   Yes.

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

Findings

4. Will the proposed development materially endanger the public health or safety?

   No.

5. Will the proposed development substantially decrease the value of or be out of harmony with property in the neighboring area?

   No.

6. Will the proposed development be in general conformity with the land use plan, thoroughfare plan or other officially adopted plans?

   Yes.

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

Recommendation

That the Planning Commission adopt the Director's analysis and findings and grant the requested Conditional Use permit. The permit would allow an 8,996 square foot marijuana cultivation facility in the Industrial zone.

The approval is subject to the following conditions:

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

Conditions

1. All waste containing marijuana product shall be stored in a locked enclosure until transported to the CBJ landfill.
2. Prior to approval of a marijuana license, it shall be demonstrated that surveillance cameras have an unobstructed view of each doorway in the building.
3. Prior to approval of a marijuana license, it shall be demonstrated that security cameras have an unobstructed view of areas of regular activity without sight blockage from lighting hoods, plants, fixtures, or other equipment in the building.

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

Conditions

4. Prior to approval of a marijuana license, a revised surveillance camera plan shall be submitted to ensure the room has adequate surveillance coverage.
5. Vegetative cover totaling 1,096 square feet shall be shown on a site plan, reviewed and approved by CBJ staff, and installed prior to issuance of a marijuana license. The vegetative cover areas shown on the plans shall be maintained with live vegetative cover.
6. Prior to approval of a marijuana license, a revised site plan illustrating the required parking and loading spaces shall be submitted and approved by staff.

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

Questions?

CITY AND BOROUGH OF JUNEAU
COMMUNITY DEVELOPMENT

Community Development
(907) 586-0715
PC_Comments@juneau.org
www.juneau.org/plancomm
155 S. Seward Street • Juneau, AK 99801

PLANNING COMMISSION
NOTICE OF DECISION

Date: May 25, 2017
File No.: USE2017 0006

Taku Horticulture Company, LLC
8425 Valley Blvd
Juneau, AK 99801

Proposal: A Conditional Use Permit for a Marijuana Cultivation facility in an Industrial Zone.

Property Address: 1758 Anka Street

Legal Description: Lot 5A, Glacier Industrial III

Parcel Code No.: 5-B12-0-130-005-0

Hearing Date: May 23, 2017

The Planning Commission, at its regular public meeting, considered the application, staff memorandum, supplemental materials, public comments, and then adopted the analysis and findings listed in the attached memorandum dated May 12, 2017, as supplemented at the hearing, and approved the Conditional Use permit for a marijuana cultivation facility to be conducted as described in the project description and project drawings submitted with the application and with the following conditions:

1. All waste containing marijuana product shall be stored in a locked enclosure until transported to the CBJ landfill.

2. Prior to approval of a CBJ marijuana license, it shall be demonstrated that surveillance cameras have an unobstructed view of each doorway in the building.

3. Prior to approval of a CBJ marijuana license, it shall be demonstrated that security cameras have an unobstructed view of areas of regular activity without sight blockage from lighting hoods, plants, fixtures, or other equipment in the building.

4. Prior to approval of a CBJ marijuana license, a revised surveillance camera plan shall be submitted to ensure the room has adequate surveillance coverage.

5. Vegetative cover totaling 1,096 square feet shall be shown on a site plan, reviewed and approved by CBJ staff, and installed prior to issuance of a CBJ marijuana permit. The vegetative cover areas shown on the plans shall be maintained with live vegetative cover.

6. Prior to approval of a CBJ marijuana license, a revised site plan illustrating the required parking and loading spaces shall be submitted and approved by staff.

Attachments: May 12, 2017, memorandum from Laura A. Boyce, AICP, Community Development, to the CBJ Planning Commission regarding USE2017 0006.

This Notice of Decision does not authorize construction activity. Prior to starting any project, it is the applicant's responsibility to obtain the required building permits.

This Notice of Decision constitutes a final decision of the CBJ Planning Commission. Appeals must be brought to the CBJ Assembly in accordance with CBJ 01.50.030. Appeals must be filed by 4:30 P.M. on the day twenty days from the date the decision is filed with the City Clerk, pursuant to CBJ 01.50.030 (c). Any action by the applicant in reliance on the decision of the Planning Commission shall be at the risk that the decision may be reversed on appeal (CBJ 49.20.120).

Effective Date: The permit is effective upon approval by the Commission, May 23, 2017.

Expiration Date: The permit will expire 18 months after the effective date, or November 23, 2018, if no Building Permit has been issued and substantial construction progress has not been made in accordance with the plans for which the development permit was authorized. Application for permit extension must be submitted thirty days prior to the expiration date.

Conditional use permits issued to marijuana establishments under CBJ chapter 49.65.1245(e) shall be subject to review by the commission every five years from the date of issuance. Such review shall be subject to CBJ 49.15.330 except that the commission may only amend or add conditions if necessary to ensure compliance with this title.

Project Planner:

Laura A. Boyce, AICP, Planner
Community Development Department

Ben Haight, Chair
Planning Commission

	May 25, 2017
Filed With City Clerk	Date

cc: Plan Review

NOTE: The Americans with Disabilities Act (ADA) is a federal civil rights law that may affect this development project. ADA regulations have access requirements above and beyond CBJ-adopted regulations. Owners and designers are responsible for compliance with ADA. Contact an ADA - trained architect or other ADA trained personnel with questions about the ADA: Department of Justice (202) 272-5434, or fax (202) 272-5447, NW Disability Business Technical Center (800) 949-4232, or fax (360) 438-3208.

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
COMMUNITY DEVELOPMENT

(907) 586-0715
CDD_Admin@juneau.org
www.juneau.org/CDD
155 S. Seward Street • Juneau, AK 99801

DATE: May 11, 2017

TO: Planning Commission

FROM: Jill Maclean, AICP Senior Planner
Community Development Department

FILE NO.: AME2017 0008 and 0009

PROPOSAL: Text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Juneau and Douglas neighborhoods.

The City and Borough of Juneau Code states in CBJ 49.10.170(d) that the Commission shall make recommendations to the Assembly on all proposed amendments to this title, zonings and re-zonings, indicating compliance with the provisions of this title and the Comprehensive Plan.

ATTACHMENTS

Attachment A – Public Notification for AME2017 0008 and 0009
Attachment B – Ordinance Language ADOD for Downtown Juneau
Attachment C – Ordinance Language ADOD for Downtown Douglas
Attachment D – Map of ADOD for Downtown Juneau, dated May 10, 2017
Attachment E – Map of ADOD for Downtown Douglas, dated May 10, 2017

DISCUSSION

Downtown Juneau and Downtown Douglas were predominantly built by miners and fishermen as dense villages. Modern day zoning does not appropriately reflect this history, nor does it ensure the preservation of the character of these historic neighborhoods.

The current zoning districts do not support the community's vision for downtown Juneau and Douglas as walkable, compact neighborhoods, as described in the 2013 Comprehensive Plan. The current zoning does not provide sufficient standards for new residential development, or the expansion, rehabilitation, or restoration of existing residential dwellings.

An Alternative Development Overlay District (ADOD) provides CBJ staff adequate time to draft new zoning standards that fit the individual neighborhoods, while providing the Planning Commission with the flexibility to work with property owners to permit appropriate residential

development projects. The proposed Alternative Development Overlay District provides flexibility to permit new residential development, or the expansion, repair, or restoration of existing residential development.

PURPOSE

The purpose of the Alternative Development Overlay District is to provide adequate minimum standards and procedures for the construction of new residential buildings and rehabilitation of existing residential buildings, while providing time to implement new zoning regulations. This article provides for the development of housing, preserves the character of neighborhoods, and promotes the restoration of blighted buildings.

A benefit of an Alternative Development Overlay District is that it improves predictability and clarity for property owners, the Planning Commission, and CBJ staff by better defining the process and standards for development activities for residential uses within the downtown areas.

The Alternative Development Overlay Districts provide the Planning Commission flexibility in addressing setbacks, lot coverage, and vegetative coverage for residential buildings within the overlay boundaries.

SUNSET PROVISION

Alternative Development Overlay Districts are temporary and include sunset provisions. For the purposes of these ordinances, the recommended sunset dates are as follows:

1. AME2017 0008 Downtown Juneau:
    a. The Alternative Development Overlay District Downtown Juneau sunsets in 24 months from the date of adoption. Downtown Juneau is slated for an area plan/strategy over the next two years, and the ADOD supports this process and timeframe.

2. AME2017 0009 Downtown Douglas:
    a. The Alternative Development Overlay District Downtown Douglas sunsets in 36 months from the date of adoption. Downtown Douglas area planning is further in the future, thus the ADOD for Douglas is given a longer timeframe to better support the needs of the property owners in the interim.

PROPOSED BOUNDARIES

1. AME2017 0008 Downtown Juneau

Downtown Juneau's boundary encompasses the historic neighborhoods of the Highlands, Telephone Hill, Chicken Ridge, Casey Shattuck, Starr Hill, and Gastineau Avenue (see Attachment D – Map of ADOD for Downtown Juneau, dated May 10, 2017).

2. AME2017 0009 Downtown Douglas

Downtown Douglas' boundary encompasses the historic neighborhood of downtown Douglas (see Attachment E – Map of ADOD for Downtown Douglas, dated May 10, 2017).

COMPLIANCE WITH THE COMPREHENSIVE PLAN

The proposed Alternative Development Overlay Districts as discussed in this report and attached documents comply with the Comprehensive Plan:

Chapter 3: Principles for Creating Livable Mixed Use Communities.

Design on a Human Scale

Compact, pedestrian-friendly communities (emphasis added) allow residents, workers and visitors to walk to shops, services, cultural venues, and jobs, reduce traffic congestion and improve people's health. Commercial space should face the street and should mimic a traditional Main Street development pattern with clear display windows, multiple entrances, all weather canopies and seating areas. There should be no blank walls facing public streets or walkways. Parking should be provided in the rear of structures with access roadways limited to side streets. Pedestrian pathways should be well-lit and protected from rain and snow.

Provide Choices

People want *variety in housing styles and size* (emphasis added) and want conveniently accessible shopping, recreation, entertainment, transportation and employment. A variety of pedestrian-friendly uses creates dynamic neighborhoods and accommodates residents in different stages of their lives. Residential densities should be a minimum of 10 dwelling units per gross acre of land within the development with higher densities of 30 to 80 units per acre encouraged. These densities facilitate the efficient provision of frequent transit service, convenient shops and services, affordable development, and help create a vibrant street life.

Adapt to Urban Centers

Take advantage of the presence of adequate municipal water and sewer services, other utilities, roads and infrastructure by *pursuing in-fill development on vacant land within the urban service area, adaptive re-use of vacant buildings and/or redevelopment of underutilized or older, obsolete buildings. In-fill and redevelopment structures should respect the overall character of the existing neighborhood* (emphasis added), although building heights and densities will be

greater. New developments should provide vehicular, pedestrian and viewshed connectivity to adjacent established neighborhoods.

Chapter 3 – Community Form

Policy 3.2: TO PROMOTE COMPACT URBAN DEVELOPMENT WITHIN THE DESIGNATED URBAN SERVICE BOUNDARY AREA TO ENSURE EFFICIENT UTILIZATION OF LAND RESOURCES AND TO FACILITATE COST EFFECTIVE PROVISTION OF COMMUNITY SERVICES AND FACILITIES WHILE BALANCING PROTECTION OF NATURAL RESOURCES, FISH AND WILDLIFE HABITAT AND SCENIC CORRIDORS.

Standard Operating Procedure

3.2 - SOP3 Establish specific policies and land use categories and land use map designations for the full range of needed land uses and activities with an emphasis on compact development of commercial and residential uses along express (fast service to distinct destinations) public transit corridors.

Chapter 4 – Housing

POLICY 4.2. TO FACILITATE THE PROVISION OF AN ADEQUATE SUPPLY OF VARIOUS HOUSING TYPES AND SIZES TO ACCOMMODATE PRESENT AND FUTURE HOUSING NEEDS FOR ALL ECONOMIC GROUPS.

POLICY 4.4. TO FACILITATE THE PRESERVATION AND REHABILITATION OF EXISTING HOUSING, PARTICULARLY HOUSING AFFORDABLE TO LOW- INCOME RESIDENTS.

POLICY 4.7. TO ENCOURAGE PRESERVATION OF RESIDENTIAL STRUCTURES THAT ARE ARCHITECTURALLY AND/OR HISTORICALLY SIGNIFICANT TO THE CBJ AND WHICH CONTRIBUTE TO THE HISTORIC AND VISUAL CHARACTER AND IDENTITY OF THE NEIGHBORHOOD.

Implementing Action

4.7 - IA2 In developing new zoning or development standards in areas with concentrations of historic structures, ensure that relaxed standards, such as higher building heights, do not induce a property owner to demolish the historic structure in favor of a larger structure or development.

POLICY 4.8. TO BALANCE THE PROTECTION AND PRESERVATION OF THE CHARACTER AND QUALITY OF LIFE OF EXISTING NEIGHBORHOODS WITHIN THE URBAN SERVICE AREA WHILE PROVIDING OPPORTUNITIES FOR A MIXTURE OF NEW HOUSING TYPES.

Development Guideline

4.8 - DG1 When reviewing rezoning applications within the Urban Service Area, higher densities than are found on adjacent or surrounding properties should be

deemed consistent and harmonious with the character of the neighborhood, provided that the overall scale and massing of the new development is compatible with the neighborhood and the siting and/or design of the new structure(s) assures the privacy, light and air of its neighbors.

Chapter 10 – Land Use

Policy 10.2: TO ALLOW FLEXIBILITY AND A WIDE RANGE OF CREATIVE SOLUTIONS IN RESIDENTIAL AND MIXED USE LAND DEVELOPMENT WITHIN THE URBAN SERVICE AREA.

Implementing Action

10.2 - IA2 Review the existing multifamily zoning districts along transit corridors to increase density limits, reduce parking requirements for residential units, decrease lot sizes, *and to allow a wider range of housing types including modular or manufactured homes, accessory apartments, live/work units, loft-style dwellings, and co-housing types* (emphasis added).

POLICY 10.3: TO FACILITATE RESIDENTIAL DEVELOPMENTS OF VARIOUS TYPES AND DENSITIES THAT ARE APPROPRIATELY LOCATED IN RELATION TO SITE CONDITIONS, SURROUNDING LAND USES, AND CAPACITY OF PUBLIC FACILITIES AND TRANSPORTATION SYSTEMS.

POLICY 10.6: TO REQUIRE NEW RESIDENTIAL DEVELOPMENTS TO MEET MINIMUM CRITERIA FOR OVERALL SITE DESIGN INCLUDING PROVISION OF LIGHT, AIR AND PRIVACY.

Implementing Action

10.6 - IA1 Continue existing incentives and develop additional incentives to encourage and reward excellence in site design and provision of amenities or facilities, particularly those related to preservation of natural terrain and vegetation, building orientation to maximize energy efficiency and privacy, and screening the parking in medium-to-high density developments. *These incentives may include lower permit fees and/or permit expediting services* (emphasis added).

Sub-Area 6: Juneau (Comp Plan Maps K, M, & N)

Guidelines and Considerations for Subarea 6:

1. Preserve the scale and densities of the older single family neighborhoods in the downtown area, including the Casey-Shattuck “flats” and Star Hill historic districts, Chicken Ridge, Basin Road, Mt. Maria, the Highlands, and the higher density apartments and homes in the vicinity of the Federal Building.

2. Encourage the retention of existing dwelling units in or near the older residential neighborhoods to avoid exacerbating traffic and parking congestion and to preserve the privacy and quiet of those neighborhoods.

COMPLIANCE WITH TITLE 49

Title 49 has been examined, and it is determined that the proposed ordinance complies with the Code. Specifically, the ordinance language states that it supplements the existing code (the underlying zoning remains) and that an alternative development permit does not exempt a developer from obtaining all other required permits, such as a conditional use permit for an accessory apartment on a substandard lot, or a parking waiver if a parking reduction is needed.

FINDINGS

Based upon the above analysis, staff finds that the proposed text amendment to Title 49 is consistent with the goals and policies in the Comprehensive Plan. Additionally, this change would not create any internal inconsistencies with any plans or codes, providing the amendments stated above are approved.

RECOMMENDATIONS

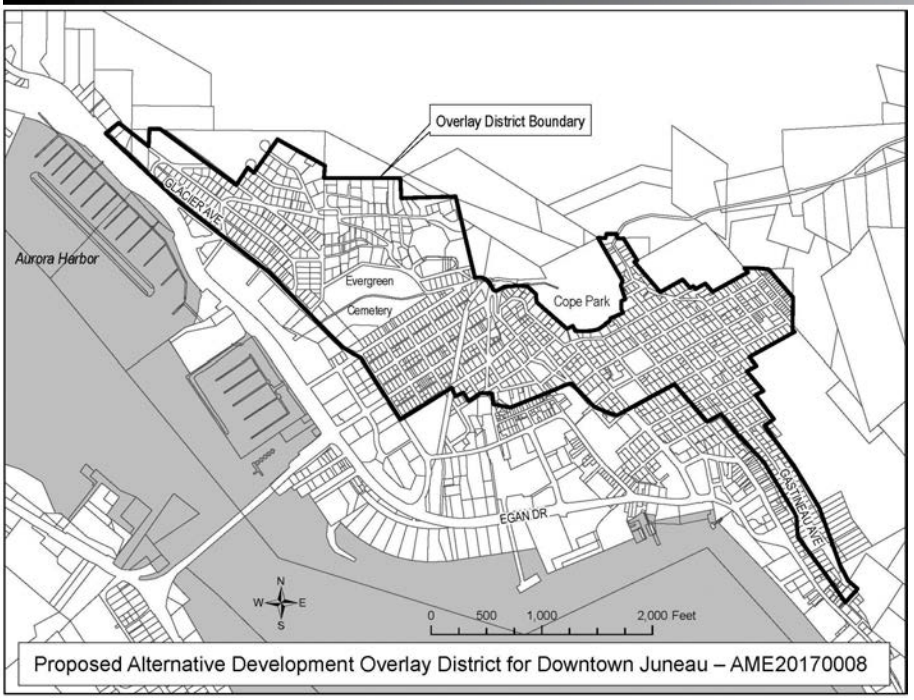
AME2017 0008 DOWNTOWN JUNEAU STAFF RECOMMENDATION

Staff recommends that the Planning Commission forward the draft text amendments and Alternative Development Overlay District map to the Assembly with a recommendation for approval.

AME2017 0009 DOWNTOWN DOUGLAS STAFF RECOMMENDATION

Staff recommends that the Planning Commission forward the draft text amendments and Alternernative Development Overlay District map to the Assembly with a recommendation for approval.

NOTICE OF PUBLIC HEARING



Proposed Alternative Development Overlay District for Downtown Juneau – AME20170008

City & Borough of Juneau
Community Development Department
155 S Seward St • Juneau, Alaska 99801

SHIP TO:

PROPOSAL: Text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Juneau neighborhoods.

The overlay provides flexibility to work with property owners to permit new residential development or the expansion, repair, or restoration of existing residential development.

File No:	AME2017 0008	Applicant:	City & Borough of Juneau
To:	Neighborhood Associations	Location:	Downtown Juneau
Hearing Date:	May 23, 2017	Hearing Time:	7:00 PM
Place:	Assembly Chambers, Municipal Building 155 South Seward Street, Juneau, Alaska 99801		

PLEASE NOTE:

You are invited to attend this Public Hearing and present oral testimony. The Planning Commission will also consider written testimony. You are encouraged to submit written material to the Community Development Department 14 days prior to the Public Hearing. Materials received by this deadline are included in the information packet given to the Planning Commission a week before the Public Hearing. Written material received after the deadline will be provided to the Planning Commission at the Public Hearing.

CITY AND BOROUGH OF JUNEAU

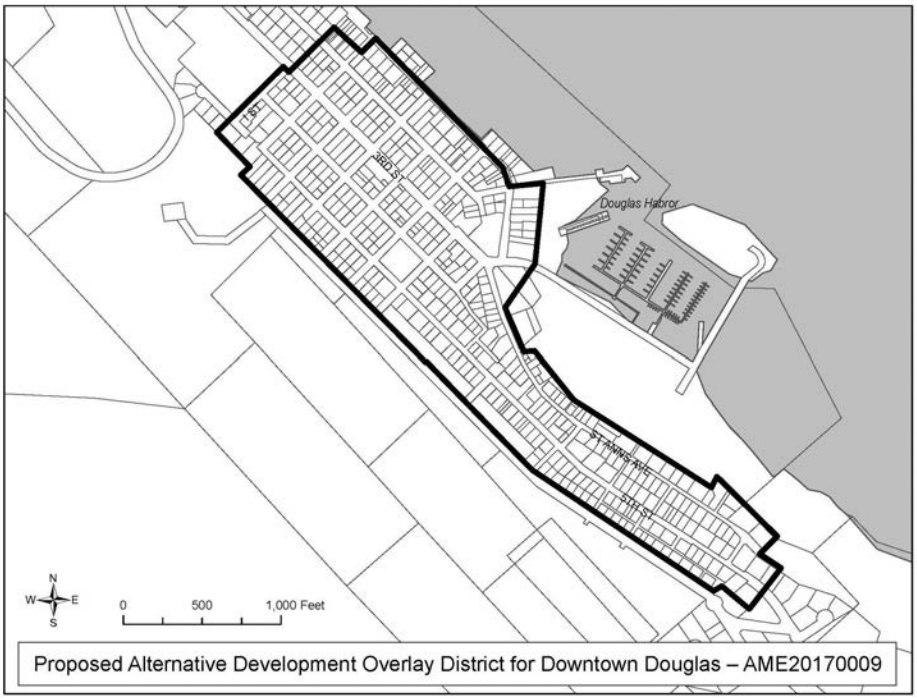
If you have questions, please contact Jill Maclean at jill.maclean@juneau.org or (907) 586-0756.

Planning Commission Agendas, Staff Reports and Meeting Results can be viewed at http://www.juneau.org/assembly/novus.php

Attachment A - Public Notice

Date notice was printed: May 11, 2017

NOTICE OF PUBLIC HEARING



Proposed Alternative Development Overlay District for Downtown Douglas – AME20170009

City & Borough of Juneau
Community Development Department
155 S Seward St • Juneau, Alaska 99801

SHIP TO:

PROPOSAL: Text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Douglas neighborhoods.

The overlay provides flexibility to work with property owners to permit new residential development or the expansion, repair, or restoration of existing residential development.

File No:	**AME2017 0009**	**Applicant:**	**City & Borough of Juneau**
To:	**Neighborhood Associations**	**Location:**	**Downtown Douglas**
Hearing Date:	**May 23, 2017**	**Hearing Time:**	**7:00 PM**
Place:	**Assembly Chambers, Municipal Building**		
	155 South Seward Street, Juneau, Alaska 99801		

PROPERTY OWNERS PLEASE NOTE:

You are invited to attend this Public Hearing and present oral testimony. The Planning Commission will also consider written testimony. You are encouraged to submit written material to the Community Development Department 14 days prior to the Public Hearing. Materials received by this deadline are included in the information packet given to the Planning Commission a week before the Public Hearing. Written material received after the deadline will be provided to the Planning Commission at the Public Hearing.

If you have questions, please contact Jill Maclean at jill.maclean@juneau.org or (907) 586-0756.

Planning Commission Agendas, Staff Reports and Meeting Results can be viewed at http://www.juneau.org/assembly/novus.php

Date notice was printed: May 11, 2017

Attachment A - Public Notice

(Sections 1-4 would be created in Article XX in 49.XX)

Section 1. – Alternative Development Overlay District.

1A. Purpose. The purpose of the Alternative Development Overlay District is to provide adequate minimum standards and procedures for the construction of new residential buildings and rehabilitation of existing residential buildings, while providing time to implement new zoning regulations. This article provides for the development of housing, preserves the character of neighborhoods, and promotes the restoration of blighted buildings.

1B. Location. There is adopted for the purpose of defining the Alternative Development Overlay District in the City and Borough, Alternative Development Overlay District Downtown Juneau Map, dated May 10, 2017, as the same may be amended from time to time by the assembly by ordinance.

1C. – Sunset Provision. This article shall terminate 24 months after adoption.

Section 2. Relationship to Existing Zoning. This article applies only to allowed residential uses in the Alternative Development Overlay District. This article provides an alternative development process that supplements the underlying zoning regulations. An alternative development permit does not exempt a developer from obtaining all other required permits.

Section 3 – Alternative Development Planning Procedure.

3A. Alternative Development Permit. The board of adjustment shall hear all applications pursuant to this article.

3B. Pre-application conference. Prior to submission of an application, the developer shall meet with the director for the purpose of discussing the site, the proposed development activity, and the alternative development permit procedure. It is the intent of this section to provide for an exchange of general and preliminary information only and no statement by either the developer or the director shall be regarded as binding or authoritative for purposes of this code. A copy of this article shall be provided to the developer at the conference.

3C. Submission. The developer shall submit to the director one copy of the completed permit application together with all supporting materials and the permit fee.

3D. Director's review procedure.

(1) The director shall endeavor to determine whether the application accurately reflects the developer intentions, shall advise the applicant whether or not the application is acceptable; and, if it is not, what corrective action may be taken.

(2) After accepting the application, the director shall schedule it for a hearing before the board of adjustment and shall give notice to the developer and the public in accordance with section 49.15.230.

(3) The director shall forward the application to the board of adjustment together with a report setting forth the director's recommendation for approval or denial, with or without conditions together with the reasons therefor. The director shall make those determinations specified in section 3E.1.

(4) Copies of the application or the relevant portions thereof shall be transmitted to interested agencies as specified on a list maintained by the director for that purpose. Referral agencies shall be invited to respond within 15 days unless an extension is requested and granted in writing for good cause by the director.

(5) Even if the proposed development complies with all the requirements of this title and all recommended conditions of approval, the director may nonetheless recommend denial of the application if it is found that the development:

(A) Will materially endanger the public health or safety;

(B) Will substantially decrease the value of or be out of harmony with property in the neighboring area; or

(C) Will not be in general conformity with the land use plan, thoroughfare plan, or other officially adopted plans.

3E. Review of director's determinations.

(1) At the hearing on the alternative development permit, the board of adjustment shall review the director's report to consider:

(A) Whether the proposed development is appropriate according to the Alternative Development Overlay District;

(B) Whether the application is complete; and

(C) Whether the development as proposed will comply with the other requirements of this title.

(2) The board of adjustment shall adopt the director's determination on each item set forth in section 3E.1 unless it finds, by a preponderance of the evidence, that the director's determination was in error, and states its reasoning for each finding with particularity.

3F. Board of adjustment determinations; standards. Even if the board of adjustment adopts the director's determinations pursuant to subsection 3E of this section, it may nonetheless deny or condition the permit if it concludes, based upon its own independent review of the information submitted at the hearing, that the development will more probably than not:

(1) Materially endanger the public health or safety;

(2) Substantially decrease the value of or be out of harmony with property in the neighboring area; or

(3) Lack general conformity with the comprehensive plan, thoroughfare plan, or other officially adopted plans.

Section 4. Alternative development permit. The board of adjustment may reduce the following requirements of the Table of Dimensional Standards, 49.25.400, for development of new residential buildings, and the expansion, restoration, or repair of existing residential

buildings. The term residential building includes an accessory structure for any parking space.

4A. Setbacks. No part of any residential building may be erected closer to the property line than (i) the average setback of residential buildings within a 150 foot radius as determined by the director, or (ii) the footprint of the existing residential building. No encroachment into the public right-of-way or on adjacent property shall be permitted.

4F. Lot Coverage. Residential lots within the overlay shall not exceed 75% lot coverage.

4G. Vegetative Coverage. Residential lots within the overlay shall maintain 15% vegetative coverage.

Section 5. Fee. The fee for an alternative development permit shall be $400. (Create 49.85.100(10)(C))

(Sections 1-4 would be created in Article XX in 49.XX)

Section 1. – Alternative Development Overlay District.

1A. Purpose. The purpose of the Alternative Development Overlay District is to provide adequate minimum standards and procedures for the construction of new residential buildings and rehabilitation of existing residential buildings, while providing time to implement new zoning regulations. This article provides for the development of housing, preserves the character of neighborhoods, and promotes the restoration of blighted buildings.

1B. Location. There is adopted for the purpose of defining the Alternative Development Overlay District in the City and Borough, Alternative Development Overlay District Downtown Douglas Map, dated May 10, 2017, as the same may be amended from time to time by the assembly by ordinance.

1C. – Sunset Provision. This article shall terminate 36 months after adoption.

Section 2. Relationship to Existing Zoning. This article applies only to allowed residential uses in the Alternative Development Overlay District. This article provides an alternative development process that supplements the underlying zoning regulations. An alternative development permit does not exempt a developer from obtaining all other required permits.

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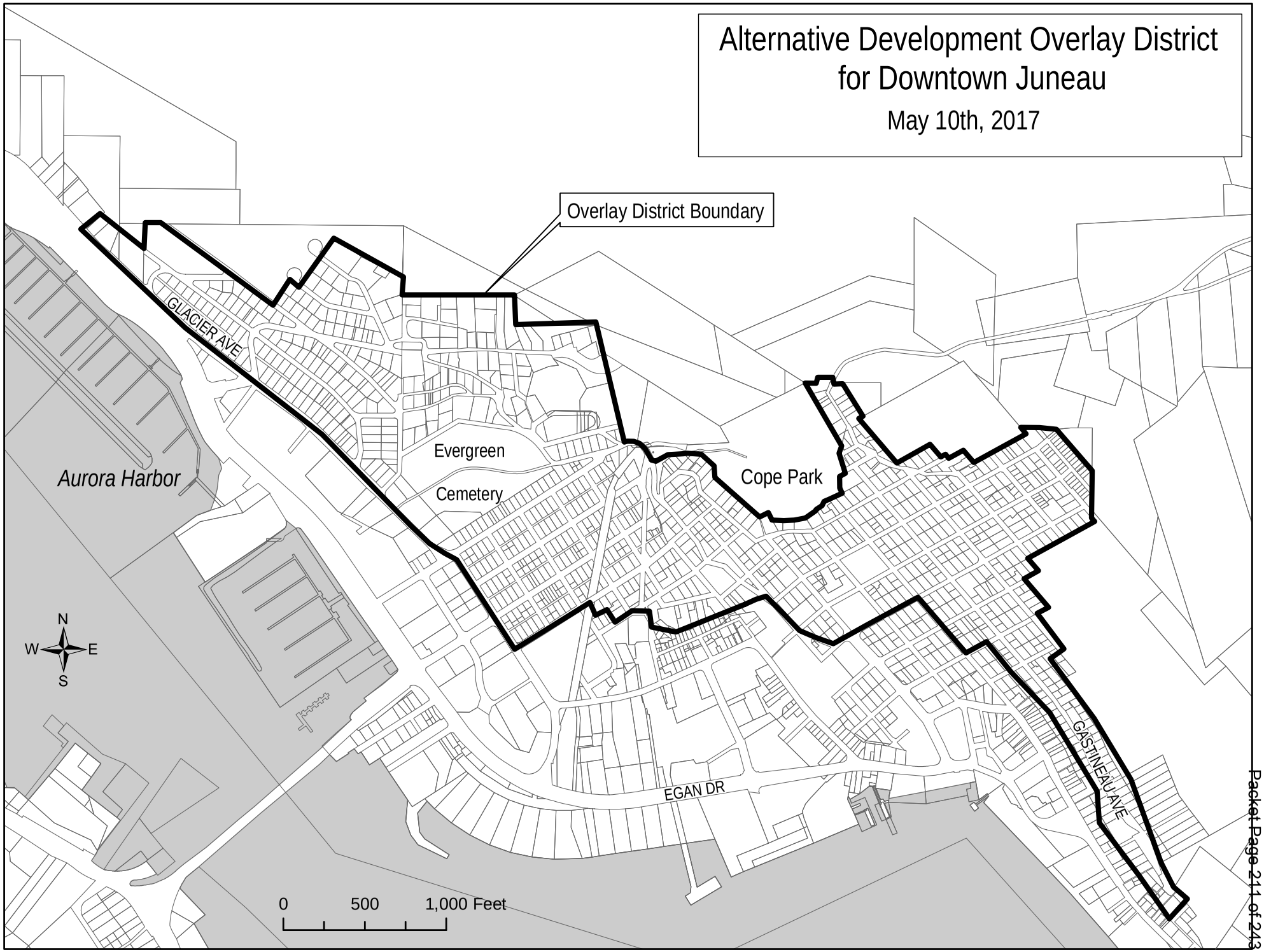
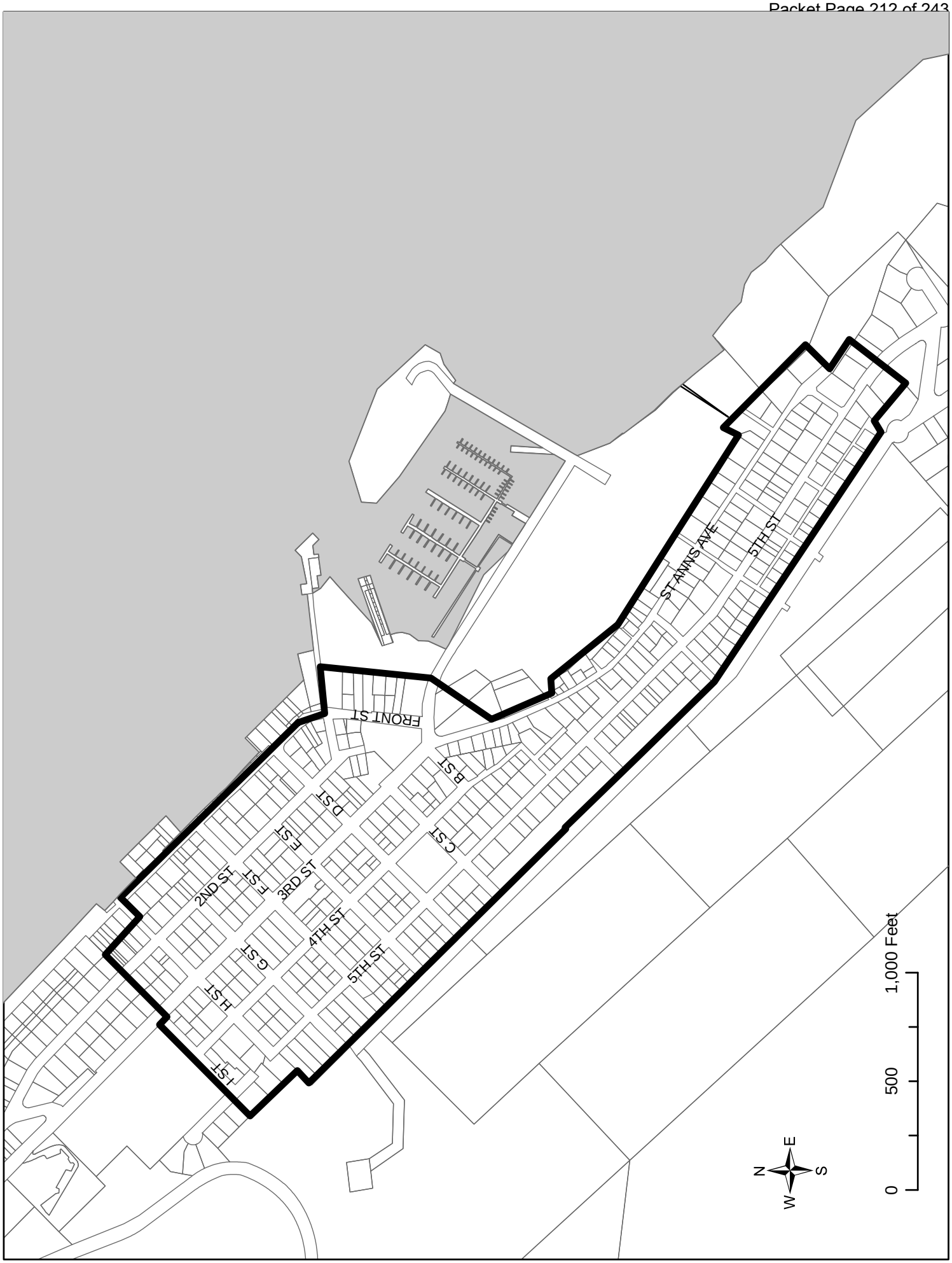
4F. Lot Coverage. Residential lots within the overlay shall not exceed 75% lot coverage.

4G. Vegetative Coverage. Residential lots within the overlay shall maintain 15% vegetative coverage.

Section 5. Fee. The fee for an alternative development permit shall be $400. (Create 49.85.100(10)(C))

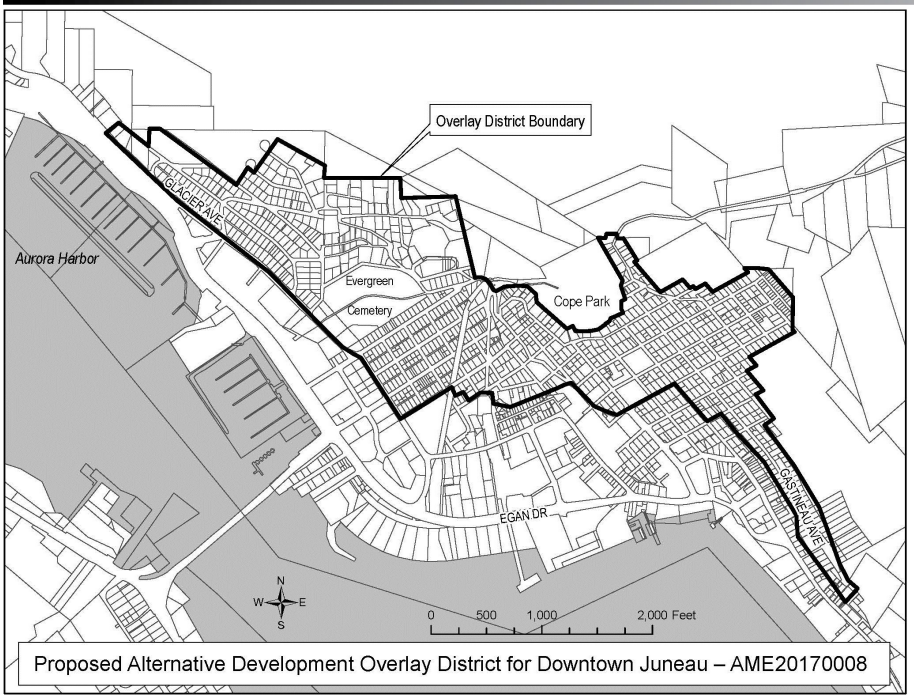


Attachment D - ADOD Map, Juneau



Attachment E - ADOD Map, Douglas

NOTICE OF PUBLIC HEARING



Proposed Alternative Development Overlay District for Downtown Juneau – AME20170008

City & Borough of Juneau
Community Development Department
155 S Seward St • Juneau, Alaska 99801

SHIP TO:

PROPOSAL: Text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Juneau neighborhoods.

The overlay provides flexibility to work with property owners to permit new residential development or the expansion, repair, or restoration of existing residential development.

File No:	**AME2017 0008**	**Applicant:**	**City & Borough of Juneau**
To:	**Neighborhood Associations**	**Location:**	**Downtown Juneau**
Hearing Date:	**May 23, 2017**	**Hearing Time:**	**7:00 PM**
Place:	**Assembly Chambers, Municipal Building**		
	155 South Seward Street, Juneau, Alaska 99801		

PLEASE NOTE:

You are invited to attend this Public Hearing and present oral testimony. The Planning Commission will also consider written testimony. You are encouraged to submit written material to the Community Development Department 14 days prior to the Public Hearing. Materials received by this deadline are included in the information packet given to the Planning Commission a week before the Public Hearing. Written material received after the deadline will be provided to the Planning Commission at the Public Hearing.

CITY AND BOROUGH OF JUNEAU

If you have questions, please contact Jill Maclean at jill.maclean@juneau.org or (907) 586-0756.

Planning Commission Agendas, Staff Reports and Meeting Results can be viewed at http://www.juneau.org/assembly/novus.php

Date notice was printed: May 11, 2017

AME2017 0008 & 0009

Text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Juneau and Douglas neighborhoods.

Planning Commission Hearing

May 23, 2017

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
COMMUNITY DEVELOPMENT

Background

- Downtown Juneau and Downtown Douglas were predominantly built by miners and fishermen as dense villages – the built environment that exists today.
- Modern day zoning does not appropriately reflect the built environment, nor does it ensure the preservation of the character of these historic neighborhoods.
- The current zoning districts do not support the community's vision for downtown Juneau and Douglas as walkable, compact neighborhoods, as described in the *2013 Comprehensive Plan*.
- The current zoning does not provide sufficient standards for new residential development; or the expansion, rehabilitation, or restoration of existing residential buildings.

Background

- As the Variance process has been modified, a mechanism that provides flexibility in the downtown areas where the zoning does not reflect the built environment has become necessary.
- The Planning Commission created an Ad Hoc Committee on April 25, 2017 to work with staff to address this need.
- The Ad Hoc Committee met on May 1, 2017 and May 8, 2017 with CBJ staff to discuss several options.
- The Ad Hoc Committee agreed to a two-tiered approach:
  1. Draft "Alternative Development Overlay Districts" for downtown Juneau and downtown Douglas.
  2. Begin the analysis and work necessary to update the underlying zoning in the downtowns to better reflect the built environment.

What is an ADOD?

An Alternative Development Overlay District (ADOD) is a tool that provides specific, temporary zoning controls in a defined area of the city where existing zoning does not provide sufficient standards for the area's current activities. An ADOD may supplement or supersede an area's base zoning, and may include guidelines.

Purpose

The purpose of the Alternative Development Overlay Districts for Downtown Juneau and Downtown Douglas is to:

- Provide adequate minimum standards and procedures for the construction of new residential buildings; and the expansion, rehabilitation or restoration of existing residential buildings.
- Provide time to implement new zoning regulations.
- Provide for the development of housing.
- Preserve the character of the downtown neighborhoods.
- Promote the restoration of blighted residential buildings.

Purpose

Specifically, the purpose of these Alternative Development Overlay Districts is to:

- Provide the Planning Commission flexibility in addressing:
  - Setbacks
  - Lot coverage
  - Vegetative coverage

Sunset Provisions

ADODs are temporary and include sunset provisions. For the purposes of these ordinances, the recommended sunset dates are as follows:

- AME2017 0008 Downtown Juneau:

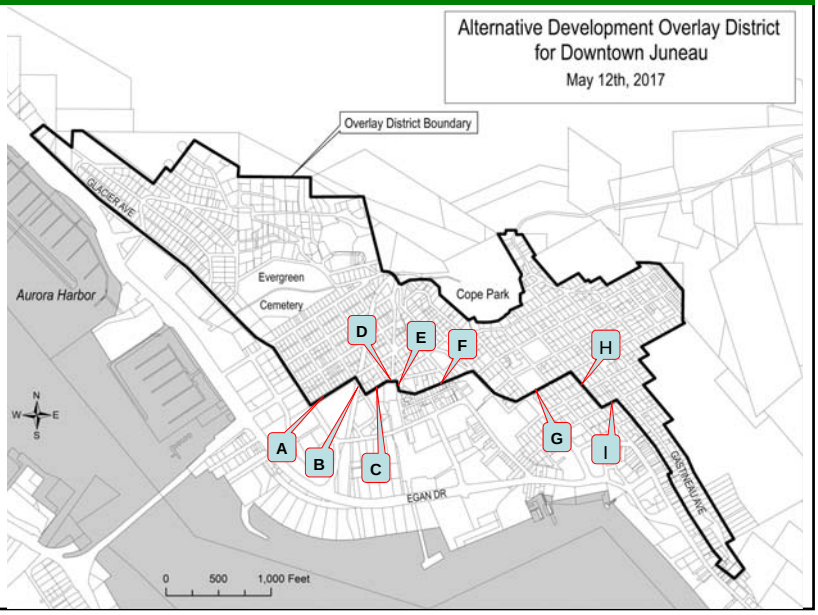
The Alternative Development Overlay District Downtown Juneau sunsets in **24 months** from the date of adoption. Downtown Juneau is slated for an area plan/strategy over the next two years, and the ADOD supports this process and timeframe.

- AME2017 0009 Downtown Douglas:

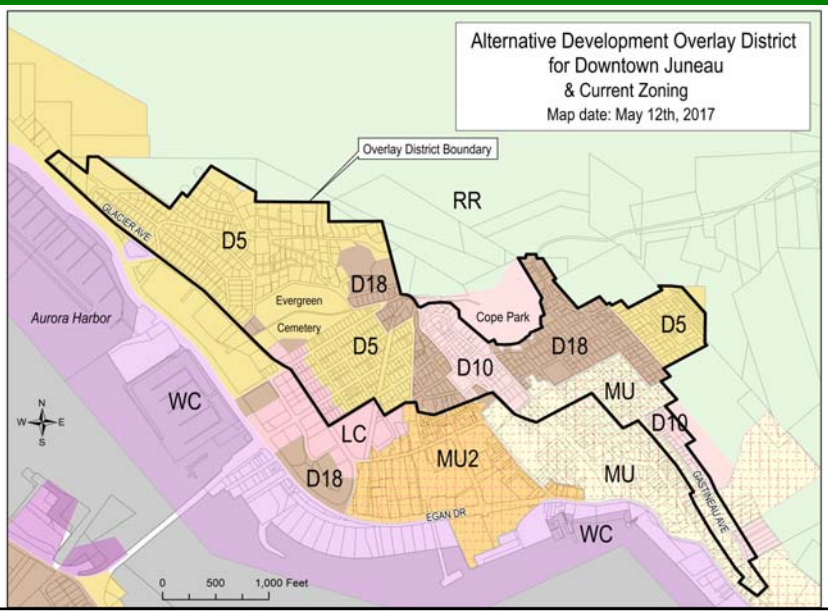
The Alternative Development Overlay District Downtown Douglas sunsets in **36 months** from the date of adoption. Downtown Douglas area planning is further in the future, thus the ADOD for Douglas is given a longer timeframe to better support the needs of the property owners in the interim.

Proposed Boundary Juneau

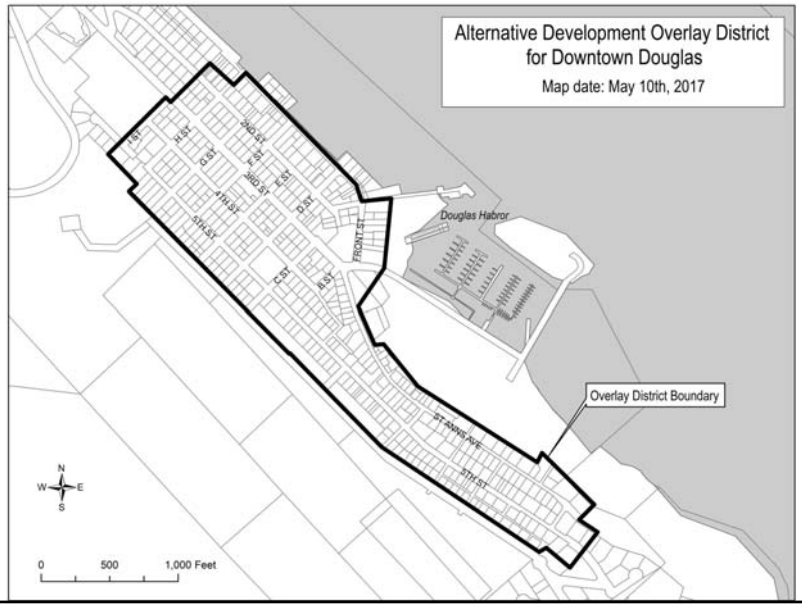
A. Ninth St.
B. C St.
C. Eighth St.
D. Distin Ave.
E. Indian St.
F. Calhoun Ave.
G. Fourth St.
H. N. Franklin St.
I. Second St.



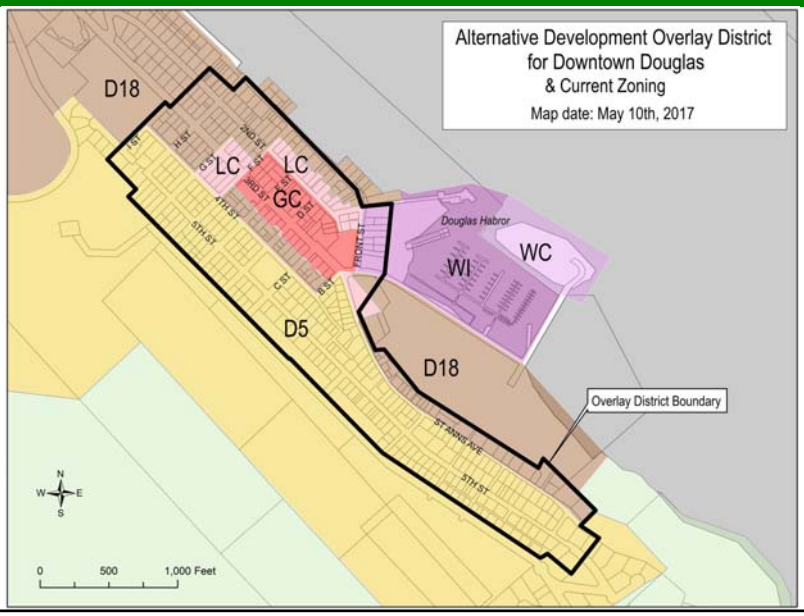
Current Zoning Juneau



Proposed Boundary Douglas



Current Zoning Douglas



Ordinance Language

(Sections 1 - 4 would be created in **Article XX in 49.XX**)

Section 1. – Alternative Development Overlay District.

1A. Purpose. The purpose of the Alternative Development Overlay District is to provide adequate minimum standards and procedures for the construction of new residential buildings and rehabilitation of existing residential buildings, while providing time to implement new zoning regulations. This article provides for the development of housing, preserves the character of neighborhoods, and promotes the restoration of blighted buildings.

Ordinance Language

(DOWNTOWN JUNEAU)

1B. Location. There is adopted for the purpose of defining the Alternative Development Overlay District in the City and Borough, Alternative Development Overlay District Downtown Juneau Map, dated May 12, 2017, as the same may be amended from time to time by the assembly by ordinance.

(DOWNTOWN DOUGLAS)

1B. Location. There is adopted for the purpose of defining the Alternative Development Overlay District in the City and Borough, Alternative Development Overlay District Downtown Douglas Map, dated May 10, 2017, as the same may be amended from time to time by the assembly by ordinance.

Ordinance Language

DOWNTOWN JUNEAU

1C. Sunset Provision. This article shall terminate 24 months after adoption.

DOWNTOWN DOUGLAS

1C. Sunset Provision. This article shall terminate 36 months after adoption.

Ordinance Language

Section 2. Relationship to Existing Zoning.

This article applies only to allowed residential uses in the Alternative Development Overlay District. This article provides an alternative development process that **supplements** the underlying zoning regulations. An alternative development permit does not exempt a developer from obtaining all other required permits (emphasis added).

Ordinance Language

Section 3 – Alternative Development Planning Procedure.

3A. Alternative Development Permit. The **board of adjustment** shall hear all applications pursuant to this article.

3B. Pre-application conference.

3C. Submission.

3D. Director's review procedure.

(5) Even if the proposed development complies with all the requirements of this title and all recommended conditions of approval, the director may nonetheless recommend denial of the application if it is found that the development:

(A) Will materially endanger the public health or safety;

(B) Will substantially decrease the value of or be out of harmony with property in the neighboring area; or

(C) Will not be in general conformity with the land use plan, thoroughfare plan, or other officially adopted plans.

Ordinance Language

3E. Review of director's determinations.

(1) At the hearing on the alternative development permit, the board of adjustment shall review the director's report to consider:

(A) Whether the proposed development is appropriate according to the Alternative Development Overlay District;

(B) Whether the application is complete; and

(C) Whether the development as proposed will comply with the other requirements of this title.

(2) The board of adjustment shall adopt the director's determination on each item set forth in section 3E.1 unless it finds, by a preponderance of the evidence, that the director's determination was in error, and states its reasoning for each finding with particularity.

Ordinance Language

3F. Board of adjustment determinations; standards. Even if the board of adjustment adopts the director's determinations pursuant to subsection 3E of this section, it may nonetheless deny or condition the permit if it concludes, based upon its own independent review of the information submitted at the hearing, that the development will more probably than not:

(1) Materially endanger the public health or safety;

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Ordinance Language

Section 4. Alternative development permit. The board of adjustment may reduce the following requirements of the Table of Dimensional Standards, 49.25.400, for development of **new residential buildings, and the expansion, restoration, or repair of existing residential buildings**. The term residential building includes an accessory structure for any parking space.

(sheds, greenhouses,…?)

Ordinance Language

4A. Setbacks. No part of any residential building may be erected closer to the property line than

(i) the average setback of residential buildings within a 150 foot radius as determined by the director,

or

(ii) the footprint of the existing residential building.

No encroachment into the public right-of-way or on adjacent property shall be permitted.

Current Zoning & Setbacks	
Zoning District	
D5	
D10	
D18	
MU	
MU2	
LC	
GC	
WI	

*As the ADOD supplements the underlying zoning, an applicant may also choose to meet the underlying zoning requirements.

*An applicant may also apply for a variance.

Ordinance Language

~~4F~~ 4B. Lot Coverage.

Residential lots within the overlay shall not exceed **75% lot coverage**.

~~4G~~ 4C. Vegetative Coverage.

Residential lots within the overlay shall maintain **15% vegetative coverage**. (based on D10SF)

Zoning District	Current Maximum Lot Coverage	Current Minimum Vegetative Lot Coverage
D5	50%	20%
D10	50%	30%
D18	50%	30%
MU	none	none
MU2	80%	5%
LC	none	15%
GC	none	10%
WI	none	5%

Lot coverage means the percentage of horizontal lot area that is occupied by all buildings on the lot, each measured at the outside of those exterior walls of the floor having the greatest horizontal dimensions.

Vegetative Cover is live vegetative cover.

Ordinance Language

Neighborhood	# of Properties	Average Lot Coverage	Median	Minimum (1 property)	Maximum (1 property)
Casey Shattuck					
Chicken Ridge					
Starr Hill					
Juneau Town Site					
Highlands					
Downtown Remainder					
Downtown Douglas					
Total					

Ordinance Language

Section 5. Fee.

The fee for an alternative development permit shall be $400.

(Same fee as a Variance)

COMP PLAN

Chapter 3: Principles for Creating Livable Mixed Use Communities

- *Design on a Human Scale*

Compact, pedestrian-friendly communities (emphasis added) allow residents, workers and visitors to walk to shops, services, cultural venues, and jobs, reduce traffic congestion and improve people's health.

- *Provide Choices*

People want *variety in housing styles and size* (emphasis added) and want conveniently accessible shopping, recreation, entertainment, transportation and employment.

- *Adapt to Urban Centers*

Take advantage of the presence of adequate municipal water and sewer services, other utilities, roads and infrastructure by *pursuing in-fill development on vacant land within the urban service area, adaptive re-use of vacant buildings and/or redevelopment of underutilized or older, obsolete buildings. In-fill and redevelopment structures should respect the overall character of the existing neighborhood* (emphasis added).

COMP PLAN — Chapter 3: Community Form

POLICY 3.2.

TO PROMOTE COMPACT URBAN DEVELOPMENT WITHIN THE DESIGNATED URBAN SERVICE BOUNDARY AREA TO ENSURE EFFICIENT UTILIZATION OF LAND RESOURCES AND TO FACILITATE COST EFFECTIVE PROVISION OF COMMUNITY SERVICES AND FACILITIES WHILE BALANCING PROTECTION OF NATURAL RESOURCES, FISH AND WILDLIFE HABITAT AND SCENIC CORRIDORS.

COMP PLAN — Chapter 4: Housing

POLICY 4.2.

TO FACILITATE THE PROVISION OF AN ADEQUATE SUPPLY OF VARIOUS HOUSING TYPES AND SIZES TO ACCOMMODATE PRESENT AND FUTURE HOUSING NEEDS FOR ALL ECONOMIC GROUPS.

POLICY 4.4.

TO FACILITATE THE PRESERVATION AND REHABILITATION OF EXISTING HOUSING, PARTICULARLY HOUSING AFFORDABLE TO LOW- INCOME RESIDENTS.

POLICY 4.7.

TO ENCOURAGE PRESERVATION OF RESIDENTIAL STRUCTURES THAT ARE ARCHITECTURALLY AND/OR HISTORICALLY SIGNIFICANT TO THE CBJ AND WHICH CONTRIBUTE TO THE HISTORIC AND VISUAL CHARACTER AND IDENTITY OF THE NEIGHBORHOOD.

POLICY 4.8.

TO BALANCE THE PROTECTION AND PRESERVATION OF THE CHARACTER AND QUALITY OF LIFE OF EXISTING NEIGHBORHOODS WITHIN THE URBAN SERVICE AREA WHILE PROVIDING OPPORTUNITIES FOR A MIXTURE OF NEW HOUSING TYPES.

COMP PLAN

Chapter 10: Land Use

POLICY 10.2.
TO ALLOW FLEXIBILITY AND A WIDE RANGE OF CREATIVE SOLUTIONS IN RESIDENTIAL AND MIXED USE LAND DEVELOPMENT WITHIN THE URBAN SERVICE AREA.

POLICY 10.3.
TO FACILITATE RESIDENTIAL DEVELOPMENTS OF VARIOUS TYPES AND DENSITIES THAT ARE APPROPRIATELY LOCATED IN RELATION TO SITE CONDITIONS, SURROUNDING LAND USES, AND CAPACITY OF PUBLIC FACILITIES AND TRANSPORTATION SYSTEMS.

POLICY 10.6.
TO REQUIRE NEW RESIDENTIAL DEVELOPMENTS TO MEET MINIMUM CRITERIA FOR OVERALL SITE DESIGN INCLUDING PROVISION OF LIGHT, AIR AND PRIVACY.

COMP PLAN

Sub-Area 6: Juneau Land Use Maps K, M, & N

Guidelines and Considerations for Subarea 6:

1. Preserve the scale and densities of the older single family neighborhoods in the downtown area, including the Casey-Shattuck “flats” and Star Hill historic districts, Chicken Ridge, Basin Road, Mt. Maria, the Highlands, and the higher density apartments and homes in the vicinity of the Federal Building.

2. Encourage the retention of existing dwelling units in or near the older residential neighborhoods to avoid exacerbating traffic and parking congestion and to preserve the privacy and quiet of those neighborhoods.

Compliance with Title 49

Title 49 has been examined, and it is determined that the proposed ordinance complies with the Code.

- Specifically, the ordinance language states:
  - The ADOD **supplements** the existing code.
  - The **underlying zoning remains**.
  - An alternative development permit does not exempt a developer from obtaining all other required permits, such as:
    - A conditional use permit for an accessory apartment on a substandard lot, or
    - A parking waiver if a parking reduction is needed.

For Consideration

QUESTION	RECOMMENDATION
Is the ADOD an article under Specified Use Area (49.70)?	Staff recommends Specified Use Area 49.70
Maximum lot coverage…75%?	Staff recommends 60%
Minimum vegetative coverage…15%?	Ad Hoc Committee and Staff recommend 15%
Are accessory structures included such as, garages, carports, greenhouses, sheds?	Staff recommends including accessory structures
Fee…$400?	Ad Hoc Committee and Staff recommend $400

Ordinance Language

Neighborhood	# of Properties	Average Coverage	Median	Minimum	Maximum
Casey Shattuck	185	34%	32%	10%	89%
Chicken Ridge	93	33%	30%	7%	85%
Starr Hill	98	34%	29%	9%	77%
Juneau Town Site	70	41%	41%	7%	85%
Highlands	108	22%	22%	4%	53%
Downtown Remainder	138	27%	24%	3%	107%
Downtown Douglas	268	29%	26%	5%	100%
Total	960	31%	27%	3%	107%

Findings

Based upon the above analysis, staff finds that the proposed text amendment to Title 49 is consistent with the goals and policies in the Comprehensive Plan.

Additionally, this change would not create any internal inconsistencies with any plans or codes, providing the amendments stated above are approved.

Recommendation

AME2017 0008 DOWNTOWN JUNEAU STAFF RECOMMENDATION

Staff recommends that the Planning Commission forward the draft text amendments and Alternative Development Overlay District map to the Assembly with a recommendation for approval.

AME2017 0009 DOWNTOWN DOUGLAS STAFF RECOMMENDATION

Staff recommends that the Planning Commission forward the draft text amendments and Alternative Development Overlay District map to the Assembly with a recommendation for approval.

AME2017 0008 & 0009

Text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Juneau and Douglas neighborhoods.

QUESTIONS?

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
COMMUNITY DEVELOPMENT

Community Development
(907) 586-0715
PC_Comments@juneau.org
www.juneau.org/plancomm
155 S. Seward Street • Juneau, AK 99801

PLANNING COMMISSION
NOTICE OF RECOMMENDATION
Date: May 25, 2017
File No.: AME2017 0008

City and Borough of Juneau
City and Borough Assembly
155 South Seward Street
Juneau, AK 99801

Proposal: Planning Commission Recommendation to the City and Borough Assembly regarding a text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Juneau neighborhoods.

Hearing Date: May 23, 2017

The Planning Commission, at its regular public meeting, adopted the analysis and findings listed in the attached memorandum dated May 11, 2017, and recommended that the City and Borough Assembly adopt staff's recommendation for text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Juneau neighborhoods with the following revisions to the proposed ordinance language based upon input received at the public hearing (summarized below and found in Attachment A):

1. Amend map boundary to include Telephone Hill and Indian Village neighborhoods;
2. This article is found in Title 49 Specified Area Provisions (49.70);
3. Under Section 1A. Purpose, revise language regarding the intent of the overlay district (see Attachment A);
4. Under Section 2. Relationship to Existing Zoning, revise language regarding “supplements” (see Attachment A);
5. Under Section 3. Alternative Development Planning Procedure, revise grammar (see Attachment A);
6. Under Section 4. Alternative development permit, revise language regarding accessory structures, setbacks, lot coverage, (see Attachment A).

Attachments:

A. Draft Ordinance: Alternative Development Overlay District – Downtown Juneau.
B. May 11, 2017 memorandum from Jill Maclean, Community Development, to the CBJ Planning Commission regarding AME2017 0009.

This Notice of Recommendation constitutes a recommendation of the CBJ Planning Commission to the City and Borough Assembly. Decisions to recommend an action are not appealable, even if the recommendation is procedurally required as a prerequisite to some other decision, according to the provisions of CBJ 01.50.020 (b).

Project Planner: _____
Jill Maclean, Planner
Community Development Department

_____
Benjamin Haight, Chair
Planning Commission

_____
Filed With City Clerk

May 25, 2017
_____
Date

cc: **Plan Review**

NOTE: The Americans with Disabilities Act (ADA) is a federal civil rights law that may affect this recommended text amendment. ADA regulations have access requirements above and beyond CBJ - adopted regulations. Contact an ADA - trained architect or other ADA trained personnel with questions about the ADA: Department of Justice (202) 272-5434, or fax (202) 272-5447, NW Disability Business Technical Center (800) 949-4232, or fax (360) 438-3208.

(Sections 1-4 would be created in Article XII in 49.70)

Section 1. – Alternative Development Overlay District.

1A. Purpose. The purpose of the Alternative Development Overlay District is to provide adequate minimum standards and procedures for the construction of new residential buildings and rehabilitation of existing residential buildings, while providing time to implement new zoning regulations. This article is intended to provide ~~provides~~ for the development of housing, preserves the character of neighborhoods, and promotes the restoration of blighted buildings.

1B. Location. There is adopted for the purpose of defining the Alternative Development Overlay District in the City and Borough, Alternative Development Overlay District Downtown Juneau Map, dated May 25 ~~10~~, 2017, as the same may be amended from time to time by the assembly by ordinance.

1C. – Sunset Provision. This article shall terminate 24 months after adoption.

Section 2. Relationship to Existing Zoning. This article applies only to allowed residential uses in the Alternative Development Overlay District. This article provides an alternative development process in addition to ~~that supplements~~ the underlying zoning regulations. An alternative development permit does not exempt a developer from obtaining all other required permits.

Section 3 – Alternative Development Planning Procedure.

3A. Alternative Development Permit. The board of adjustment shall hear all applications pursuant to this article.

3B. Pre-application conference. Prior to submission of an application, the developer shall meet with the director for the purpose of discussing the site, the proposed development activity, and the alternative development permit procedure. It is the intent of this section to provide for an exchange of general and preliminary information only and no statement by either the developer or the director shall be regarded as binding or authoritative for purposes of this code. A copy of this article shall be provided to the developer at the conference.

3C. Submission. The developer shall submit to the director one copy of the completed permit application together with all supporting materials and the permit fee.

3D. Director's review procedure.

(1) The director shall endeavor to determine whether the application accurately reflects the developer's intentions, shall advise the developer ~~applicant~~ whether or not the application is acceptable; and, if it is not, what corrective action may be taken.

(2) After accepting the application, the director shall schedule it for a hearing before the board of adjustment and shall give notice to the developer and the public in accordance with section 49.15.230.

(3) The director shall forward the application to the board of adjustment together with a report setting forth the director's recommendation for approval or denial, with or without conditions together with the reasons therefor. The director shall make those determinations specified in section 3E.1.

(4) Copies of the application or the relevant portions thereof shall be transmitted to interested agencies as specified on a list maintained by the director for that purpose. Referral agencies shall be invited to respond within 15 days unless an extension is requested and granted in writing for good cause by the director.

(5) Even if the proposed development complies with all the requirements of this title and all recommended conditions of approval, the director may nonetheless recommend denial of the application if it is found that the development:

(A) Will materially endanger the public health or safety;

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3F. Board of adjustment determinations; standards. Even if the board of adjustment adopts the director's determinations pursuant to subsection 3E of this section, it may nonetheless deny or condition the permit if it concludes, based upon its own independent review of the information submitted at the hearing, that the development will more probably than not:

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Section 4. Alternative development permit. The board of adjustment may reduce the following requirements of the Table of Dimensional Standards, 49.25.400, for development of new residential buildings, and the expansion, restoration, or repair of existing residential

buildings. The term residential building includes accessory structures. ~~an accessory structure for any parking space~~.

4A. Setbacks. No part of any residential building may be erected closer to the property line than (i) the average corresponding setback(s) of residential buildings within a 150 foot radius as determined by the director; if any of the corresponding setbacks used in the averaging calculation is located a greater distance than the required setback of the underlying zoning, then the required setback of the underlying zoning will be used; if any of the corresponding setbacks used in the averaging calculation encroaches into the public right of way or onto an adjacent property, then zero feet will be used in the averaging calculation for that setback; or (ii) the footprint of the existing residential building. No encroachment into the public right-of-way or on adjacent property shall be permitted.

4~~F~~B. Lot Coverage. Residential buildings ~~lots~~ within the overlay district shall not exceed 60% ~~75%~~ lot coverage.

4~~G~~C. Vegetative Coverage. Residential lots within the overlay shall maintain 15% vegetative coverage.

Section 5. Fee. The fee for an alternative development permit shall be $400. (Create 49.85.100(10)(C))

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
COMMUNITY DEVELOPMENT

(907) 586-0715
CDD_Admin@juneau.org
www.juneau.org/CDD
155 S. Seward Street • Juneau, AK 99801

DATE: May 11, 2017

TO: Planning Commission

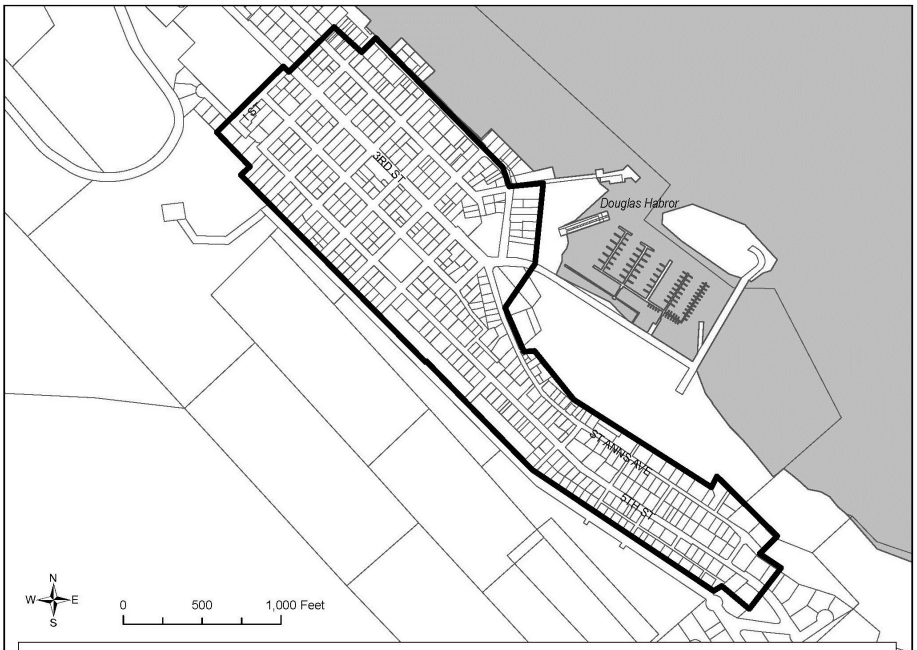
FROM: Jill Maclean, AICP Senior Planner
Community Development Department

FILE NO.: AME2017 0008 and 0009

PROPOSAL: Text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Juneau and Douglas neighborhoods.

THE STAFF REPORT FOR AME2017 0009 IS COMBINED WITH AME2017 0008 AND CAN BE FOUND AS AN ATTACHMENT TO THAT CASE.

NOTICE OF PUBLIC HEARING



Proposed Alternative Development Overlay District for Downtown Douglas – AME20170009

City & Borough of Juneau
Community Development Department
155 S Seward St • Juneau, Alaska 99801

SHIP TO:

PROPOSAL: Text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Douglas neighborhoods.

The overlay provides flexibility to work with property owners to permit new residential development or the expansion, repair, or restoration of existing residential development.

File No:	**AME2017 0009**	**Applicant:**	**City & Borough of Juneau**
To:	**Neighborhood Associations**	**Location:**	**Downtown Douglas**
Hearing Date:	**May 23, 2017**	**Hearing Time:**	**7:00 PM**
Place:	**Assembly Chambers, Municipal Building**		
	155 South Seward Street, Juneau, Alaska 99801		

PROPERTY OWNERS PLEASE NOTE:

You are invited to attend this Public Hearing and present oral testimony. The Planning Commission will also consider written testimony. You are encouraged to submit written material to the Community Development Department 14 days prior to the Public Hearing. Materials received by this deadline are included in the information packet given to the Planning Commission a week before the Public Hearing. Written material received after the deadline will be provided to the Planning Commission at the Public Hearing.

CITY AND BOROUGH OF JUNEAU

If you have questions, please contact Jill Maclean at jill.maclean@juneau.org or (907) 586-0756.

Planning Commission Agendas, Staff Reports and Meeting Results can be viewed at http://www.juneau.org/assembly/novus.php

Date notice was printed: May 11, 2017

Presentation for AME2017 0009 is combined with AME2017 0008

AME2017 0008 & 0009

Text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Juneau and Douglas neighborhoods.

Planning Commission Hearing

May 23, 2017

CITY AND BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY
COMMUNITY DEVELOPMENT

Community Development
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PC_Comments@juneau.org
www.juneau.org/plancomm
155 S. Seward Street • Juneau, AK 99801

PLANNING COMMISSION
NOTICE OF RECOMMENDATION
Date: May 25, 2017
File No.: AME2017 0009

City and Borough of Juneau
City and Borough Assembly
155 South Seward Street
Juneau, AK 99801

Proposal: Planning Commission Recommendation to the City and Borough Assembly regarding a text amendment to revise Title 49 to create a temporary zoning overlay district for downtown Douglas neighborhoods.

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1. Amend map boundary to include the parcels along the waterfront along 1st Street from I Street to Dock Street;
2. This article is found in Title 49 Specified Area Provisions (49.70);
3. Under Section 1A. Purpose, revise language regarding the intent of the overlay district (see Attachment A);
4. Under Section 2. Relationship to Existing Zoning, revise language regarding "supplements" (see Attachment A);
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Project Planner: _____
Jill Maclean, Planner
Community Development Department

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Benjamin Haight, Chair
Planning Commission

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Filed With City Clerk

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