

ASSEMBLY LANDS HOUSING AND ECONOMIC DEVELOPMENT MINUTES

September 26, 2022 at 5:00 PM

City Hall Conf. Room 224 / Zoom Webinar



<https://juneau.zoom.us/j/94215342992> or 1-253-215-8782 Webinar ID: 942 1534 2992

A. LAND ACKNOWLEDGEMENT

B. CALL TO ORDER

ROLL CALL - Chair Hale called the meeting to order at 5:00 pm.

Members Present: Chair Michelle Hale, Greg Smith, Wade Bryson, Wáahlaal Gíidaak,

Other Assembly Members Present: Mayor Beth Weldon, Maria Gladziszewski, Christine Woll

Members Absent: none

Liaisons Present: none

Liaisons Absent: Lacey Derr, Docks and Harbors; Mandy Cole, Planning Commission; Chris Mertl, Parks and Recreation

Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Robert Palmer, City Attorney; Matt Creswell Docks & Harbors Harbormaster; Robert Barr, Deputy City Manager

Members of the Public Present: Tim Riley, Taku Terrace Condominium Association

D. APPROVAL OF AGENDA – The agenda was approved as presented

E. APPROVAL OF MINUTES - August 29, 2022 Draft Minutes

1. 2022-08-29 LHED Draft Minutes were approved as presented

F. AGENDA TOPICS

2. Hansen Gress Application to Purchase City Property

Mr. Bleidorn discussed this topic.

Mr. Smith asked about the first rights of refusal and asked if that needed to be included in the motion or will that be part of the negotiation. Mr. Bleidorn replied that it does not need to be included in the motion because it is already in the Docks and Harbors Board review and will be something that we add as we move forward and negotiate.

Mr. Bryson moved that the Lands, Housing, and Economic Development Committee forward this application to the Assembly with a motion to work with the original proposer in accordance with city code 53.09.260. Motion passed no objections.

3. Taku Terrace Association Request to Purchase City Property

Mr. Bleidorn discussed this topic.

Mr. Smith asked if there is a time limit on appraisals, as he was open to say that the appraisal listed in the presentation would still be good unless there absolutely needs to be a new appraisal. Mr. Bleidorn replied that there are sections of code that say city appraisals have to be completed within 90-days of the sale, but that is listed under easements. The city has accepted appraisals up to a year old but have not worked on one that is three years old. Mr. Palmer replied that whether the city

sells this property is still a decision to be made, so if the assembly thinks that the 2019 appraisal reflects current fair market values then that can be used but if the assembly doesn't think it reflects current fair market values then you can ask for an updated appraisal.

Mr. Bryson asked about the purchase offer at \$150,000, did the city suggest that to them or is that their request for us that they are open to. Mr. Bleidorn replied that the city declined that offer, but they submitted that letter directly to the Assembly, so it is theoretically still on the table, if that's the direction Assembly decides to go as far as determining fair market value.

Chair Hale asked about the number of condos in this unit. Mr. Bleidorn replied there are 35 units. Chair Hale noted a calculation she did that was \$411,600 divided by 35 units is \$11,760 per unit, which would be the cost. Mr. Bleidorn confirmed that calculation. Chair Hale noted that if it were sold for that value, then that the cost to each unit would be \$11,760 and is presuming that the condo association would be able to take out some sort of mortgage to cover the costs if they did purchase this from the city. Mr. Riley replied that the city is representing that they are offering the price at fair market value, but fair market value would be the estimated value of the property minus our leasehold interest. Chair Hale noted that this setting is not appropriate for Mr. Riley to ask questions about the committee but could reach out to the Lands Manager with these questions. Mr. Riley replied that they have a lease on the property and the city cannot provide a fee simple value because they do not own the fee simple value, they own a leasehold value and Taku Terrace owns the lease fee value. Mr. Riley noted that they assume they could get a loan. Mr. Bleidorn commented that if the city decides that now is not the time to dispose of this property we can continue to lease it to the association for the remainder term, at \$300 a month for the remaining term that equals over the amount of \$150,000. If we are looking at this in a strictly financial situation, the assembly should continue to lease this for the remainder of the term, and then sell it at the end for fair market value, which would bring the most finances to the city. That is probably not in the best interest of the association, and which is why we are here today looking at a potential disposal. Chair Hale asked to confirm the monthly rate of \$300 per month, if that was per unit. Mr. Bleidorn clarified that was the entire property amount.

Mr. Bryson asked about comparing an identical piece of land the same size without a lease on it, what would be comparison values. Let us just assume similar characteristics of "land B" does not have at lease on it, what would be the difference in value to this leased land. Mr. Bleidorn replied that we do not have an identical property to compare, but earlier he noticed that the apartment building, next to Foodland is currently on the market. It is a smaller lot and it assessed at just the land value. Our assessments have land and property. The apartment building was valued at over \$600,000. This property is different from that, it has some access issues and is larger, so it is difficult to come up with that comparison value. That is why we hire appraisers because they are license and bonded, and determine that kind of information.

Chair Hale asked about the motion, with staff requesting a motion of support, is that from the LHED committee to staff, and then what would be the next step. Mr. Bleidorn replied that the next step would it be for an appraisal to be completed and then we would draft the ordinance for introduction, because we've already gone through the Planning Commission and we have gotten the motion of support to work with the original proposer. We are just at the stage, where this is the hold up, the appraisal, or the determination of fair market value.

Mr. Smith asked what the current HOA fees for the condos and wanted to know about the amount of the other appraisal. Mr. Riley replied that he is personally paying \$950 a month in HOA fees, but he has a somewhat larger unit. He believes the smallest units are paying around \$500 per month. Chair Hale replied that the 2019 appraisal was \$411,600. Mr. Smith asked about the leasehold interest appraisal amount. Mr. Riley replied noted that he is a commercial appraiser and that in terms of negotiation, their appraisal value was somewhere between \$150,000 and \$200,000. That was prior to our uncovering the fact that there is no access to this property, and that we have to pay more than we pay the city for the lease of the property, for access to and parking on, the easement that we have from the building next door.

Chair Hale noted that her inclination at this point, and knowing that the next time that this committee meets it will be a new assembly, but the information at this point is so many questions have come up, and I think there is some confusion. My inclination is to hold this in committee and I do not know what my fellow committee members think about this. It seems like there is no exact sense of urgency about this, and asked Mr. Bleidorn to speak as to whether there is a problem with holding this item in committee. Mr. Bleidorn sees no problem with holding this in committee and bringing it back to the committee at a future date.

Mr. Bryson, Mr. Smith, Wáahlaal Gídaak, and Chair Hale all confirmed to hold this item in committee.

4. Ordinance 2022-48 An Ordinance Related to City and Borough of Juneau Land Management Plan Duration, Restrictions, and Authority.

Mr. Bleidorn, Mr. Creswell, and Mr. Palmer discussed this topic.

Mr. Smith commented that he remembered at a recent assembly meeting, where there was a motion for a certain area; I believe the downtown waterfront that essentially shifted. It had shifted the status quo from Docks and Harbors to the assembly again in a limited area of the harbor downtown, and was wondering if it makes sense to put it in code or not. My other question was on page four of the ordinance, line sixteen, striking the word “tideland”, and replacing it with “property under the jurisdiction of Docks and Harbors.” My only question on that is, I know Docks and Harbors has significant land holdings, or land that they manage, and are all of those water dependent or water-related uses, or would that prohibit the times where there it makes sense that the Docks and Harbors lands could be used for something else and or sold. Chair Hale asked if this shift for the assembly to be more involved than Docks and Harbors. Mr. Palmer replied that this is something that could be done; this would be an opportunity to make an administrative change on the operational side. What Mr. Smith is hinting at is two years ago the assembly made comments but it didn’t quite go as far as a formal motion and direction, but considering ideas of maybe changing Docks and Harbors away from under the manager’s authority, which is slightly different than what this ordinance is doing for the land management plan. If this is something different from what this committee wants to do, or if there are other questions we can hold this in committee.

Mayor Weldon noted that she was at the Docks and Harbors board meeting, and what Mr. Smith is referring to is page four of six of the ordinance where tidelands is crossed out and replaced with property under the jurisdiction of docks and harbors. Chair Hale commented to Mr. Smith that his

topic is too large for the committee to tackle through this vehicle at this time, although it may be something we want to tackle later on. Mr. Smith commented that he would do more research to see what the scope of the motion was and can look to see if this is related. Mayor Weldon commented that the board did this because all of the property they are working through with our timeline, they sweated out this language for quite some time to figure out a way to deal with lands and tidelands. Mr. Smith commented that he would look at the land management plan on the different Docks and Harbors properties, as this seems like a significant shift.

Wáahlaal Gíidaak asked in terms of looking at this, Mr. Palmer alluded to that, this is not encompassing all lands, where do we go for the Docks and Harbors lands that are not included in the current land use plan, where does that land go and what plan does it go into. She also asked where we are going with this, the framing of this particular initiative and resolution. Mr. Palmer replied that all of Docks and Harbors lands is included in our current land management plan. For the second question, with no bias intent read into this reply, but it's really hard to make land disposal requests, whether it's easements or sales, it doesn't matter, consistent with our code, because Docks and Harbors does not have a land management plan. This would remove the requirement for Docks and Harbors to have that land management plan for their properties.

Chair Hale asked that if this is saying that a land disposal of Docks and Harbors lands would go through the exact same process as land disposal of other tidelands. Mr. Palmer confirmed that it would have additional public process.

Mr. Smith commented that the code now states that all property in the jurisdiction of Docks and Harbors should not be sold, is there any current Docks and Harbors lands in the current land management plan that is marked for disposal. It seems a bit strict to write in the code that no Docks and Harbors land should ever be sold. Chair Hale commented that the on line nine, "the Docks and Harbors board should be guided by the following principles when proposing changes to the land management plan," so I think the "not sold" is a principle and is not saying that it cannot be sold.

Mr. Bryson moved that the Lands, Housing, and Economic Development Committee forward draft ordinance 2022-48 to the Committee of the Whole with a motion. Motion passed no objections.

5. Ordinance 2022-51 An Ordinance Authorizing an Alternative Procurement Method Related to the Emergency Department Addition and Renovation at Bartlett Regional Hospital.

This ordinance authorizes the Manager to competitively solicit proposals and enter into an alternative procurement method for preconstruction services and construction of the Emergency Room Addition and Renovation project at Bartlett Regional Hospital consistent with CBJ charter and Alaska Statute. General Contractor/Construction Manager is a qualification based procurement method that allows the contractor to be involved in the design process to limit risk and cost for complicated projects such as the Emergency Room where the department needs to remain operational during construction.

The Bartlett Board of Directors approved the use of GC/CM for this project at its May 26, 2022 meeting. The Public Works and Facilities Committee approved use of GC/CM for this project at its June 6, 2022 meeting.

Mr. Bleidorn and Mr. Palmer discussed this topic.

Mr. Bryson moved that the Lands, Housing, and Economic Development Committee amend draft ordinance 2022-51, page two, line ten, from \$1,493,000 to \$1,400,000 and forward draft ordinance 2022-51 to the Special Assembly meeting on September 26, 2022. Motion passed, no objections.

G. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

H. STANDING COMMITTEE TOPICS

6. Telephone Hill Updates

Mr. Bleidorn discussed the receipt of a letter that was submitted from the Telephone Hill non-profit management group. Chair Hale commented that she encourages the Telephone Hill residents to work with the non-profit that is in negotiations to work on dates and work together.

7. LHED Committee Goals – no updates

I. NEXT MEETING DATE - November 7, 2022

J. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org.