

ASSEMBLY LANDS HOUSING AND ECONOMIC DEVELOPMENT MINUTES

July 15, 2024 at 5:00 PM

Assembly Chambers/Zoom Webinar



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

A. CALL TO ORDER – 5:02pm

B. LAND ACKNOWLEDGEMENT

We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

C. ROLL CALL

Members Present: Chair Alicia Hughes-Skandijs, Paul Kelly, Greg Smith, 'Wáahlaal Gídaag,

Members Absent: none

Additional Assemblymembers: Michelle Hale

Liaisons Present: Jim Becker, Docks & Harbors Committee

Liaisons Absent: PRAC liaison, Matthew Bell, Planning Commission

Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Katie Koester, City Manager; Carl Uchytel, Port Director; Robert Palmer, City Attorney

D. APPROVAL OF AGENDA – approved as presented

E. APPROVAL OF MINUTES - 1. June 3, 2024 Draft Minutes – approved as presented

F. AGENDA TOPICS

2. Telephone Hill Housing Data

Ms. Koester discussed this topic. Mr. Kelly asked about the option to add a parking floor to the downtown parking garage, which would add 60 stalls, is that something that we would potentially be able to see revenue from and what would the estimated payback period be. Ms. Koester replied that we do charge for parking permits and could do a pro forma on how much revenue we would get back but doubts it would be enough to pay for the parking, as parking revenue doesn't pay for enforcement of parking, it won't pay for building the capital cost of it but can look at that math.

Mr. Kelly asked about comparing these various options. For how many units of parking we're going to get to, compared to how many units of housing, do we have an estimate of how many units of housing compared to units of parking? Ms. Koester replied that the assembly selected Option C to move forward with as a conceptual option, that would require 93 stalls.

Mr. Kelly wanted to follow up with his earlier question, he did see that there were the 93 units in the packet and was wondering how it would possibly compare to the amount of units or is that something that's we'll find in the guide. I tried to skim it, but there is a conversation in the Place Guide. Chair Hughes-Skandijs commented on that as two different parking scenarios. If you're looking for a 1-to-1, based on Option C, we know that that's not as many parking spots as units. There's some conversation in the Place Guide about that. Mr. Bleidorn noted that the Place Guide will reference the 93 parking stalls that would be needed for 155 units.

Mr. Smith said that in this request you mentions the percent at 80% of AMI, if the committee or assembly decide to move forward with that, then we will see in responses to the RFI how many may be in workforce housing, 80 to 100 percent, maybe 120 percent, that's when you're not asking us to set a number for that, but hopefully there will be housing in that income range. Ms. Koester replied that yes, we are not asking you to prescribe that, it's an assumption that, based on the price to develop it, that we would have some units in that range. We will know that, of course through respondents, but that is

market based. I'm not asking you to prescribe a certain amount to be in the 80 to 120 AMI, which is considered middle, of course you can, but that's not the ask.

Chair Hughes-Skandijs asked that financially speaking, you mention the fact that with a market analysis that allows for some high market options, or some units would be a part of that. At the COW we spoke much more generally about that, do we want 20 units to be affordable without defining affordable, but we're talking about the ratio of how many we want to reserve at an affordable level. As you've been thinking about this, your strong recommendation is that it be 20 percent? Is that based around 5 million dollars? Ms. Koester replied that it's also based around our precedent with the Affordable Housing Fund and just the definition of mixed income, that's what I base that recommendation on.

Mr. Smith moved that the Lands Housing and Economic Development Committee direct staff to introduce an ordinance extending the 0 parking zone to include this Telephone Hill area. Mr. Kelly objected. Roll call: 'Wáahlaal Gídaag – yes, Mr. Smith – yes, Chair Hughes-Skandijs – yes, Mr. Kelly – no. Motion passed 3 to 1.

Mr. Smith moved that the Lands Housing and Economic Development Committee approve the target of 20% of these units being at 80% AMI. No objections, motion passed unanimously.

Mr. Smith commented on his motion that obviously providing affordable housing is a desire of the community a desire of the assembly. This provides kind of a floor and there may be more. Remember that if people are receiving funds from the Affordable Housing Fund that they will have to meet some affordability requirements there. I like the idea of mixed use, mixed income housing, and we just know we need housing of all types in Juneau and just wanted to put those out there. Thank you.

Chair Hughes-Skandijs objected for a comment that she appreciates all of the work that staff put into this topic. The reason she asked the manager exactly where that number was coming from was to see if it was based off that precedent that we've set so far, and I'll bring this up during the Place Guide. This is a weird situation where it fell into our lap, and I think it's a pretty tremendous opportunity, as far as housing goes and moving our housing goals forward. I think this is a fine starting place, and as we continue to dig into it with the COW, and as this moves forward that maybe it might be one that we want to treat slightly differently. But I have no problem moving this out of committee and removed her objection.

3. Introduction to the Draft Telephone Hill Place Guide

Mr. Bleidorn discussed this topic. Chair Hughes-Skandijs asked that with this Place Guide, the idea is that this is as we move forward, that this is what you would be comparing things against, that this is a statement of what we desire to see, correct? Is that a way of speaking about it, like a little baby plan? Mr. Bleidorn replied that it's as a framework for redevelopment, but that along with the direction on parking as well as affordability, those things will also be brought into the mix. This is a guide, and it should help guide the Assembly towards your goals.

Mr. Smith noted that on page 20 of the Place Guide the boundaries and that it would be a difficult task to draw the boundaries of traditional clan lines. He wanted to mention that he has seen maps include the Mansfield Peninsula and Áak'w Kwáan Tlingit land and wanted to flag that he realizes that it is not an easy thing to be able to say, yes, this is the perfect line, but wanted to flag that.

Ms. Hale appreciated this being a fine starting place, and appreciates having the Place Guide. Looking at page 45, which is 79 of the packet, it talks about active ground floor uses and public seating and benches. When we've looked at, and I understand this is very preliminary, but when we've looked at where the buildings might go, I've always had this vision because I have lived downtown myself, of some

kind of little gathering areas, and it could even be fenced in, and you access it from inside the building so that way you keep it for those residents. But it's just a place for people to meet, if you've got kids they can go play out there. I just want to make sure that that something like that is there, so we don't end up with 6 buildings and a few benches but instead, places for people to have coffee together.

Mr. Smith asked to confirm that the capturing of the historical information on the existing structures can be used as we prepare the historical record. Capturing and preserving some of the history on the site can be information available for that use. Mr. Bleidorn replied that all the information we've gathered on any of the history up there is currently available on the city website for the project. As we move forward any further documentation or pictures, etc., of these units would also be publicly available.

Chair Hughes-Skandijs had a conceptual question, in as we are in this spot in the process, and the COW says to send it back here for a little refinement, and then we're going to send it back to the COW, and I'm sure other people might put their hands on the Place Guide. When in the last agenda topic, we said, we really don't know what people need, ultimately we can take guesses, and we know what we've done in the past and in the context of the question I asked Mr. Bleidorn If we're really seeing this as a way to measure something against? Could you speak to a little bit from the staff perspective, is it most helpful to have something as a metric that you can compare things against versus aspirational. Could you speak to where it falls on, if it's a spectrum and aspirational, is on one side, and a plan that you're comparing something against is on the other end, where it falls on that spectrum. Ms. Koester replied that she thinks it would be difficult at this stage in the game to provide metrics. Those are always better to know exactly what you're looking for, so we can measure something exactly against that that feels much more defined and much more like we're executing the will of the body. But I think we have to be aspirational at this point because we just don't know what the development community can afford or is willing to do. It feels a little bit like we're talking in circles until we are able to issue an RFI. And I think we need to think of that request for information as truly not an actionable item, but really ask our development community what they would be willing to do, because once we get that information, we'll know if tax abatement is more attractive than a direct subsidy. We'll know that, of course we couldn't sell these apartments if we didn't have a green space courtyard in them, so we would never build an apartment without a green space courtyard, because we want to sell these to very well-off people and others, but that can be an obvious inclusion. I think that the aspirational is okay as long as we understand that we're going to get feedback that says some of those aspirational things are more practical than others. And frankly, I feel like that's what we need to be able to call the universe of what Telephone Hill could be. Chair Hughes-Skandijs added that she is using vague language to describe it, but I think at this point if we were to get too prescriptive or regimented with our metrics, then I just don't want to close off the world of possibility, and I think hearing from people will be eye opening. I was also glad you said our development community. I guess I would say there's not a specific section nor super clear that it would necessarily be in our Place Guide, but I would be interested in making sure this goes out to a wide group because we have our own local developers. Some of the success we've had for other things moving forward are actually coming from down south developers, or just a broader development community. That would be important to me, and I would want us to cast our net as wide as possible, and I think our Eagle Rock ventures was also from down south, so that that would be my only request.

Mr. Smith moved that the Lands Housing Economic Development forward the Telephone Hill Place Guide from committee and send it to the Committee of the Whole. Motion passed unanimously.

4. Dock & Harbors Tidelands Lease to Trucano Ordinance 2024-11 & 2024-12

Mr. Uchytel discussed this topic. Ms. Koester provided additional context and noted that Docks and Harbors has the authority to manage the maritime leases and the Lands office, under the city manager's office, manages all other leases. Most of our city leases that you're familiar with include that 35-year

maximum term. I think where the confusion lies is just a different interpretation of city code. Mr. Uchytel references the code in his memo on page 102 of the packet where it talks about an opportunity to renew the lease and a preference privilege. I think there's just 2 different interpretations of this section of code, and the Land's office interprets that as 35 years is the maximum term, and all of the preferential treatment or renewals have to fit under that term, and Docks and Harbors interprets it that this code allows for additional renewals, as Director Uchytel stated. I think that's the essence of the confusion here, and what Docks and Harbors was operating under the ordinance before you today is consistent with Lands office interpretation of code, which is 35 years. If the assembly wishes to do something different, you always have that opportunity and not rely on interpretation, one department's interpretation of code over another. We want to acknowledge this is probably a section of code that could use some cleaning up so that staff isn't put in that position in the future.

Mr. Smith asked if are we allowed by code to allow for renewal? Ms. Koester replied that from what she understood, Docks and Harbors passed a motion out of their committee for an opportunity for an automatic 35-year renewal. The ordinance before you does not have an automatic renewal at 35 years. So in 35 years the lease would come before the assembly just exactly like it is today. You could add language into the ordinance, saying, that there would be an opportunity for renewal by ordinance which would express the assembly's intent. This today's assembly's intent to renew that lease, but there's no automatic trigger for renewal in the ordinance as drafted. Mr. Smith followed up to say that what he wanted to know is if he were to add that language is in conflict with current code. Ms. Koester replied that what she understand is you would have to basically exempt this ordinance from that section of code and say, there's a public purpose for a longer lease term in this case.

Chair Hughes-Skandijs said that the ordinances that we have in our packet now are for 35 years and that is how the Land's department leases are generally structured. Our empowered board has a different interpretation of the code, and so what they sent to law had an automatic renewal. Mr. Uchytel pointed out that Docks and Harbors isn't ever making a negotiation for extension, every lease that we do we, all of our leases are drafted by law. We're not making up the 35 years plus the option to renew. That's just how it's always been. I think the body needs to know that the State, with their tideland leases, lease for 55 years with the option to renew. That's the difference that I think I'm hearing. The discussion is whether the body wants to extend lease renewal options to folks that have tideland leases, and just know that all the leases we have right now have that extension, that option to renew. Goldbelt and Huna Totem are going to have high visibility projects coming up, that if there's some change of policy, Docks and Harbors and our existing lessees and future lessees need to know.

Mr. Smith asked if he puts something in that says an option to renew in 35 years, that is not in conflict with code. Mr. Palmer replied that if you did that I would have to amend the ordinances that are in front of you and expressly identify why we're exempting them from code, which is capped at 35 years. Mr. Smith asked if that code does not allow for an automatic one time renewal. Mr. Palmer replied that code does, however, that section of code is outdated and in conflict with other sections of code that are newer, and that the assembly was working on amending that in 2012 and 2013. But the focus on the assembly shifted in 2014 to Title 49 instead of Title 53 and we didn't finish this section of code. Director Uchytel is spot on that there is language in our code that says what he is purporting to do. However, it's been superseded, and it's outdated now and it's in conflict. That's why Lands for the last decade has been capping leases at 35 years, because we haven't got to the amendment work in Title 53.

Chair Hughes-Skandijs asked Mr. Palmer to clarify that when he said that Lands has been capping leases at 35 years, those leases may be renewed but it is not an automatic renewal process. Mr. Palmer replied that was correct and that those leases may be renewed just like if the assembly were to adopt the ordinances for the Trucano leases that are in front of you, these leases can be renewed in 35 years. The

assembly in 34 years is free to consider what's best for the community in the Trucano operation, and extend it another 10 years by ordinance, or up to 35 years, or whatever the assembly decides.

Mr. Smith made an amendment to the resolution that would add an option to extend the lease one time. His rationale was that looking at this property, the applicant controls the uplands and that this does not have that much value to anyone else. I think it just provides the applicant some certainty which I think is beneficial. It seems that these tideland leases do not seem that useful to others.

Chair Hughes-Skandijs objected to the motion based on her understanding and discussions with staff. I don't disagree with the characterization that the uplands are controlled, and that these are as far as community interest, for Trucano is a good thing. They've been leased for 55 years, I think, 35 years and following the normal process if that's what we've been following for our other leases. Based on Attorney Palmer's interpretation that this is the more up-to-date code, and that we just stalled out on updating that that title. To me that makes sense to conclude with that and stay with the precedent that we've been on understanding that we have conflicting lease structures. Docks and Harbors has some that are on the books right now that will just automatically do that, and we have some that cap out and then get renewed, but I think that is what I'm hearing from Attorney Palmer, and I would prefer to go with the more up-to-date code.

Mr. Kelly objected to comment that he has had a few conversations with staff on this as well. I guess I am wondering at this point what is the timeframe that is needed for the renewal of this lease? Is this something that has an urgent timeframe required before it goes before the assembly, or do we have a little bit of time to work with this if we keep it in committee. Mr. Uchytel replied that the lease expired at the end of June, and we had everything ready to go in May. At this point it moves to a month-to-month lease with the Trucano Family LLC. There is not an urgency, nothing is going to happen without action, we are just trying to make things right with a new lease.

The LHED Committee decided to vote on the motion and not keep this in committee. Mr. Smith moved to add to both ordinances the option for a renewal of the leases for 35 years; an option to extend a lease one time kind of as Docks and Harbors typically does for 35 years.

Roll call: Mr. Smith – yes

Mr. Kelly – yes

‘Wáahlaal Gídaag – no

Chair Hughes-Skandijs – no

Amended motion fails, 2 yeas, 2 nays.

Mr. Smith moved that Ordinance 2024-11 and 2024-12 from committee be introduced for public hearing at the next upcoming assembly meeting that has been introduced for public hearing as written. Motion passed unanimously.

G. SUPPLEMENTAL MATERIALS

5. RED FOLDER: Trucano Construction Company Letter to the Assembly

Discussed in Section F, Topic 4, Dock & Harbors Tidelands Lease to Trucano Ordinance 2024-11 & 2024-12

H. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS – none

I. NEXT MEETING DATE - August 5, 2024

J. ADJOURNMENT – 6:01pm