



ASSEMBLY LANDS HOUSING AND ECONOMIC DEVELOPMENT AGENDA

January 23, 2023 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

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

D. APPROVAL OF AGENDA

E. APPROVAL OF MINUTES - December 19, 2022 Draft Minutes

1. December 19, 2022 Draft LHED Minutes

F. AGENDA TOPICS

2. Southeast Alaska Food Bank Lease Amendment Request

3. General Communications Inc. Lease renewal for Thane Earth Station Site

4. Consideration of Accessory Apartments in Industrial Zoning Districts

G. STAFF REPORTS

5. Cruise Ship Visitation Trends

6. Schedule of Upcoming Land Use Code Work

H. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

I. STANDING COMMITTEE TOPICS

7. Telephone Hill Updates

8. LHED Committee Goals

J. NEXT MEETING DATE - February 13, 2023

K. 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.

ASSEMBLY LANDS HOUSING AND ECONOMIC DEVELOPMENT MINUTES

December 19, 2022 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 - Chair Hughes-Skandijs called the meeting to order at 5:00 pm.

B. LAND ACKNOWLEDGEMENT

C. ROLL CALL

Members Present: Chair Alicia Hughes-Skandijs, Wade Bryson, Christine Woll

Members Absent: Wáahlaal Gíidaak

Liaisons Present: Mandy Cole, Planning Commission

Liaisons Absent: Lacey Derr, Docks and Harbors; Chris Mertl, Parks and Recreation

Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Jill Maclean, CDD Director; Carly Uchytel, Port Director; Rorie Watt, City Manager; Dave Scanlan, Eaglecrest General Manager

D. APPROVAL OF AGENDA – approved as presented, no changes

E. APPROVAL OF MINUTES - November 28, 2022 Draft Minutes, approved as presented, no changes

F. AGENDA TOPICS

2. Goldbelt and CP Marine Application for a Land Trade

Mr. Bleidorn discussed this topic. Mr. Bryson commented that he has been on the assembly long enough that this is second time he has seen this. We did a similar land swap with the Archipelago lot, and we failed to take into consideration parking in the land trade. I was wondering if we could talk with Goldbelt to make sure that they have the right understanding. We did a trade, CBJ got the land they wanted, the other party got the land that they thought they wanted, and it ended up not working out, and we do not have a project built. I would like to ask Goldbelt a question or two, so that we can prevent that same scenario from happening, because it looks like we are doing almost identical type of land swap. Mr. Bleidorn replied that as this goes through the Planning Commission process, we would make sure that parking is considered and that negotiation would take place after we have the initial motion of support from the assembly to work on this. This is definitely noted, and something we want to keep in mind.

Mr. Bryson asked if there are any other zoning or waterfront issues that the Archipelago lot ran into when they that stopped their development because it was the design phase that they were stopped in. I want all that on the record to benefit Goldbelt so that we do not make the same errors again. Ms. Maclean replied that she did speak to Goldbelt and in those discussions; there is a lot of complexity to this site, their ability to use their building or reconstruct a rehab, because it is cited closely to the property lines, as one cannot cross those or come so close to them. That spurred this on for them on how to best use their land and the buildings that they have. We can look at those issues when the applicants come in for their pre-application conference. Other than that, I am not aware of any other challenges aside from how the lots are laid out and they cannot proceed as is.

Ms. Woll asked if we are losing any control of the waterfront, with CBJ owning the property where the gangway is from the dock-to-shore. Mr. Uchytel replied that the applicant is proposing renovating the existing Seadrome building over the water, adjoining the seawalks. As far as having access to the Seadrome dock, it is on CBJ owned tidelands but Goldbelt owns the dock. Control of the Seadrome dock would remain with Goldbelt unless they elect to do something else with it.

PC Cole asked when the assembly approves moving forward by direct negotiation with a particular party, in this case Goldbelt, does that signal that no other parties can be considered until negotiations

are concluded in either the affirmative or the negative. Mr. Bleidorn replied that once we have that initial motion of support from the assembly, staff works specifically with them. It does not mean that somebody else cannot apply but then the assembly would have to reevaluate it as they have already given us direction, and to work with somebody else, or to look for other applicants would be a change of direction. We would need another motion and something from the full assembly to move that forward.

Chair Hughes-Skandijs noted that she shares Ms. Woll's sentiment and is a little wary about trading tidelands for uplands but sees the benefit in this, and approves of the motion of support at this time.

Ms. Woll moved that the Lands, Housing, and Economic Development Committee provide a motion of support to negotiate with Goldbelt and CP Marine on a land trade. Motion passed no objections.

3. Ordinance 2023-03 An Ordinance Amending the Private Shared Access Requirements of the Land Use Code, Title 49, Related to Maximizing Residential Density.

Ms. Maclean discussed this topic. Mr. Bryson asked how this ordinance helps with infill, putting a neighborhood next to a neighborhood that did not have one before, and some of the "you are coming into my backyard," situations. Ms. Maclean replied that she is not certain that we will ever have a great answer for "I have enjoyed this undeveloped property that is nice and treed for 30 years, and now they want to develop that." A planning board member from back East would say, "You should be happy that you got to enjoy that nature as long as you did, because you did not buy it, nor do you pay taxes on it either." I know that is difficult for people. First, I would urge homeowners, property owners, and buyers, to educate yourselves on what your area is zoned, what zoning it allows, and what the neighboring properties are zoned as they may not be the same, even though you are side by side. As far as this helping with shared access and infill development, this ordinance does not go quite as far as the Title 49 Committee was looking it, but it is a start on improving the ordinance, and one of the unintended consequences, which was a 90 acre property being developed into 12 lots, which was D3 or D5 zoning. I think this should alleviate that challenge given the language in the purpose statement as well as the other verbiage that the city attorney added. Those areas are underlined in your packet, with it limiting acreage. We did have some discussion back and forth, which was the best approach to that. It is difficult, because I am always concerned about in Juneau, specifically the lots that are left, they are not the same, and it is tricky to apply code that would be flexible enough for everyone. We were trying to obtain as much discretion as we can to address the individual situations. For instance, you will notice that some of it was left to the director to look at a particular site. That would go a long ways and overall this is moving in the right direction, and the direction that the title 49 Committee was also looking for.

PC Cole commented that she was surprised to see this, because the Title 49 Committee did look at this and made some suggestions, which are not in here, and some that are different intentions that are in here. I think Director Maclean is correct in that it is moving in that direction, but I would not say that what is before you would be what the Title 49 Committee would want to send to the full assembly for adoption. I feel confident in saying that because it does not contain some of the pieces that we felt would make the most impact. My hope is that this goes back to the PC before it goes to the full assembly. Chair Hughes-Skandijs asked if that is part of the process with the staff recommendations. Ms. Maclean replied and made a correction; that the bottom of the memo said that it was to go to the full assembly. It will go to the full assembly, but through the usual process of kicking it back to Title 49 through the Planning Commission and up to assembly for full adoption.

Mr. Bryson asked for elaboration on what was missing. Chair Hughes-Skandijs replied that we would let that work through the process given that the items remaining on tonight is agenda. I do not think we will go into a joint Title 49 – Lands meeting.

Ms. Woll commented that this conversation made her realize she does not have the full context on why this is in front of us now. Is it because there was a conversation at the retreat that highlighted it, or assembly members brought this forward, or is it a coincidence that it is coming to us. Ms. Maclean replied that her understanding is that an assembly member or multiple spoke with the city attorney after the retreat and was asked to work on this ordinance.

Mr. Bryson asked if there are any other ordinances or pieces to this that would help facilitate increasing density, such as being able to split a lot. I know that becomes an issue many times. What other components does maximizing residential density need to give us the results that we are looking for. Ms. Maclean replied that one larger item that we will have to tackle is how many lots is too little or too many, is four the right number, and do we want to encourage more. When this comes back through, we can give some of the history of how we arrived here today. The concern was that too many owners would result in complications for maintenance and agreeing to pay for maintenance over time. The number of lots was one other area to look at. I think this is moving in the right direction, and as Commissioner Cole, stated, not quite, as far as Title 49 was looking but it gets us about halfway there.

PC Cole commented that the number of lots that are permissible is a big factor and Title 49 was leaning toward more, which would potentially satisfy Mr. Bryson's comment. This would be a little in conflict and result in large lots with multiple, buildable, residential sites. I think there is some tweaking that may have to happen in order for it to make sense to the public if they were to get this document and read what is intended and what is prioritized. I am not sure that this says many residential lots is the priority.

Mr. Bryson commented that he knows exactly what we are doing. Beach Drive over on Douglas, they are running into the issues that we are trying to prevent with these ordinances right now. They cannot get the city to take it over; it has to be run by residents. Mr. Bryson would like to thank everybody for working on this because it sounds like we are sometimes being a pain or being difficult, we are preventing future problems because they do have a problem right now, so thank everybody.

Mr. Bryson moved that the LHED Committee continue to work with CDD on ordinance 2023-03 and introduce it to the full assembly through another visit of LHED after it works through CDD and the Planning Commission. Motion passed no objections.

4. Ordinance 2022-65 An Ordinance Authorizing the Eaglecrest Ski Area to Enter Into a Franchise Agreement with Mountain Lift, LLC, for Coffee and Baked Goods Service.

Mr. Scanlan discussed this topic. No comments or questions from the committee members.

Mr. Bryson moved that the LHED Committee schedule ordinance 2022-65 for public testimony at the next regular assembly meeting. Motion passed no objections.

5. Harris Homes LLC Request to Purchase City Property

Mr. Bleidorn discussed this topic. Mr. Bryson asked how long has the Pederson Hill properties been available for sale. Mr. Bleidorn replied that we had our first land sale in 2019 with 18 properties and since then we have been working on the next couple of phases or next couple of sections of phase one. This lot had not been advertised, we had not worked on selling it, but it was listed in the Land Management Plan as dispose in 2016.

Ms. Woll asked what the alternative to this would look like. The recommendation is deny, given that we have a request that we said to move forward with, if we were not to pass this what happens. Mr.

Bleidorn replied that there are probably many alternatives to the denial and this request. This committee could come up with any motion that they would want staff and the city manager to move forward. An alternative motion could be to evaluate this proposal simultaneously to the Moline one. It gets very complicated fast, because that Moline direction was work with them as the original proposal. It was not to work with multiple people or to solicit bids. I think we would have to discuss it with the attorney or the city manager if we wanted to try to move forward with anything besides what we have already have. Mr. Watt commented that to put oneself in Moline's shoes, they came to the assembly and said they would like to buy this property, are going through the process, and we made a motion to work with them. Then they went and invested some resources, filed an application to do rezoning, spent some money filling out an application for the tax credit program, and probably doing some other development work. If we made a motion to do anything different, I am sure Moline Investment would be thinking, "Should I be working on this, do they still want to sell the property to me?" I think they would be very confused as to what we think about them.

Mr. Bryson asked how many other city owned parcels that are even remotely close to this size, are either available for sale or marked as retain/dispose that would also be available to a second developer or any other developer that wanted to build something in the community. Mr. Bleidorn replied that this property currently exists as a very large lot and Moline is actively working to subdivide it into about 10 acres. There is probably a handful of large track properties that could go through the minor subdivision process. It takes a lot of staff energy, with a lot of engineering and CDD people involved in it. It is something that staff could look at if that is a goal of the assembly. Mr. Bryson followed up to ask if there are any properties that are further along to be put up for sale or something that is maybe just a step or two below the development of Pederson Hill. Mr. Bleidorn replied that we have two Renninger lots that are between 3 and 5 acres that are currently on the market and zoned D15 in Lemon Creek, right across from DZ middle school. Like all city property, they have their complications to develop. Those are available on the market, and somebody could come in and fill out an application to purchase them over the counter at any time.

Mr. Watt wanted to remind everyone of the city's GIS tool. You can use it to see privately owned property that is also undeveloped. While the city is a landowner, we are not the majority landowner; there is lots of private property out there. Chair Hughes-Skandijs commented that they got to see the new tool with the GIS map at the retreat and was wondering how much you can dial in with it, as she hasn't played with it yet. Do we know if this applicant is represented on that map with vacant, developable land, or do we just have it marked otherwise. Mr. Bleidorn replied that at this point, the GIS map has all private property as a single color. It does not get into ownership, but you could go through and select ownership on that or the assessor's database.

Chair Hughes-Skandijs asked if the applicant has any land right now that is substantially different from this piece of property. Mr. Harris replied that they have nothing of this size or similar to this and he did not realize this property was even available. Once we did hear about it, we just looked into it and it has been evolving as we go. He does not think anyone knew this property was available. It was the opportunity to buy a nice piece of developable property with water, sewer, and utilities right there ready to go. It seems like that should be put out to all developers in the community that have ability to a bit on it. Chair Hughes-Skandijs asked if they would consider multi-family versus single family. Mr. Harris replied that the D10 would actually be needed and worked well with the attached homes that they proposed, so attached homes or single family. He felt that was better connection to the neighborhood where the city had put it out as a single-family development type. We were trying to hit that same neighborhood. High-density multi-family, I do not know that the neighborhood really wants it there, but that was where we came up with that proposal.

Mr. Bryson moved that the LHED Committee provide a motion to deny the Harris application to purchase City property. Motion passed unanimous consent.

Ms. Woll objected for a comment. We gave direction and are already going down that path, which makes sense to deny this. Because the original proposal matched the direction that the assembly was trying to move with this property, I think it is the right move, but I do think that it warrants a conversation at some point about which properties we are directing towards direct negotiations and what are being opened up to the community for proposal. Sometimes I think it makes sense to work directly with a specific entity and other times it might not. Objection removed.

Mr. Bryson objected for a comment. He had a similar reason, and feels bad knowing that Harris Homes has developed many homes in the community. I think it would be a horrible business precedent for us to say to a business that we are going to do business with you, make a deal with, approve the deal and let them begin their work, and then say, sorry we changed our minds. I think that that would have long-term, negative consequences, as we need to do land trades with other entities in the community. I think that we need to stay in the direction that we said as a precedent to set. I would like to state that I do not think that we are going to have another piece of land that is available for sale that the entire community is not 100% aware of. In our desire to create more housing, we have obviously missed that step. I would like to have a conversation with Mr. Bleidorn to make sure that everyone has the list of what is available for sale, so that future home developers do not miss opportunities. Objection removed

G. STAFF REPORTS

6. Mendenhall Valley Air Quality Program

Mr. Bleidorn discussed this topic. Mr. Bryson asked for elaboration on why we do not wave the ban when the temperature goes down to below 10 degrees, and what a citizen could do if their furnace goes out during a burn ban but their wood burning stove is their secondary heat source. Mr. Bleidorn replied that first, if your furnace goes out, and there is an air emergency in effect, there is a phone number on our website that you can contact. You can contact the Land Office or the fire marshal at the fire department, and we will try to issue an allowance for a couple of days, or until you get to fix it. For the other question, regarding why we do not cease to call air emergencies when it is very cold outside, it is because when it is very cold outside that is when we get air inversions set up. The air quality is part of the Clean Air Act at the Federal Government level, and they set the parameters. Of all the parameters, particulate matter is the only one we have an issue with in Juneau, and in particular just in the Valley. That is why we are following the Federal mandates using data that is provided by the State Government, and then we do enforcement at the local level.

H. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS – none

I. STANDING COMMITTEE TOPICS

7. Telephone Hill Updates - Mr. Bleidorn gave a verbal update that site visits were taking place and staff was working on a RFP for a property manager.

J. NEXT MEETING DATE - January 23, 2023

K. ADJOURNMENT – meeting adjourned at 5:40 p.m.

MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office
155 S. Seward St., Juneau, Alaska 99801
Dan.Bleidorn@juneau.org
(907) 586-5252

TO: Alicia Hughes-Skandijs, Chair of the Assembly LHED Committee
FROM: Dan Bleidorn, Lands and Resources Manager *Daniel Bleidorn*
SUBJECT: Southeast Alaska Food Bank Lease Amendment Request
DATE: January 17, 2023

Since 2005, the Southeast Alaska Food Bank has leased a fraction of U.S. Survey 1041, which is located in the Mendenhall Valley at the end of Crazy Horse Drive. This property is roughly 32 acres in size and fractions are leased to the Food Bank, the FAA, and more recently, to Vertical Bridge for a communications tower.

The lease was amended in 2015 to increase the leased area to .50 acres from .25 acres. The new request is for an additional 1.0 acre of land and the application states that "the opportunity has arisen to fund a new warehouse building making us more sustainable for the future. We have already secured a grant in the amount of \$500,000.00 toward making this endeavor a reality." The current lease is set to expire in 2030 and the lease rate is \$1.00 per year.

If this Committee supports this request for additional square footage, it maybe beneficial to draft a new lease, which would include a lease term past the current 2030 expiration. To increase the leased area, the Assembly will need to adopt a new ordinance replacing the existing ordinance 2015-24, which authorized a lease of .50 acres.

The Food Bank will be required to complete all building permit applications, secure proper permits, and insure that all requirements to expand the facility are met. The Southeast Alaska Food Bank will also be responsible for obtaining a wetlands fill permit from the Corp of Engineers, if needed.

Staff requests that the LHED Committee forward a motion of support to the Assembly for adoption of an ordinance to authorize the leased area of 1.50 acres to Southeast Alaska Food Bank under 53.09.270.

Attachments:

1. December 15, 2022 letter from Bob Piorkowski and Chris Schapp
2. Ordinance 2015-24



(907) 789-6184 • SOUTHEASTAKFOODBANK@ACSSALASKA.NET

Section F, Item 2.

PO BOX 33681 JUNEAU AK 99803 • 10200 CRAZY HORSE DRIVE
WWW.SEAFB.ORG

12/15/2022

Tax ID# 92-0165056

City and Borough of Juneau
Division of Lands and Resources

Dear CBJ Members,

On behalf of the Southeast Alaska Food Bank (SEAFB) board of directors, staff, our volunteers and those we serve, we want to thank you for your very generous support we have received in the past helping us to achieve our mission to fight food insecurity in Juneau and Southeast Alaska.

Between our 30 member agencies and the 2 public pantry's we hold every week we have distributed over 400,000 lbs. of food, for the 5th year in a row. This year we are on track to break 500,000 pounds with the increased need from the closing of the Helping Hands Food Bank.

The opportunity has arisen to fund a new warehouse building making us more sustainable for the future. We have already secured a grant in the amount of \$500,000.00 toward making this endeavor a reality.

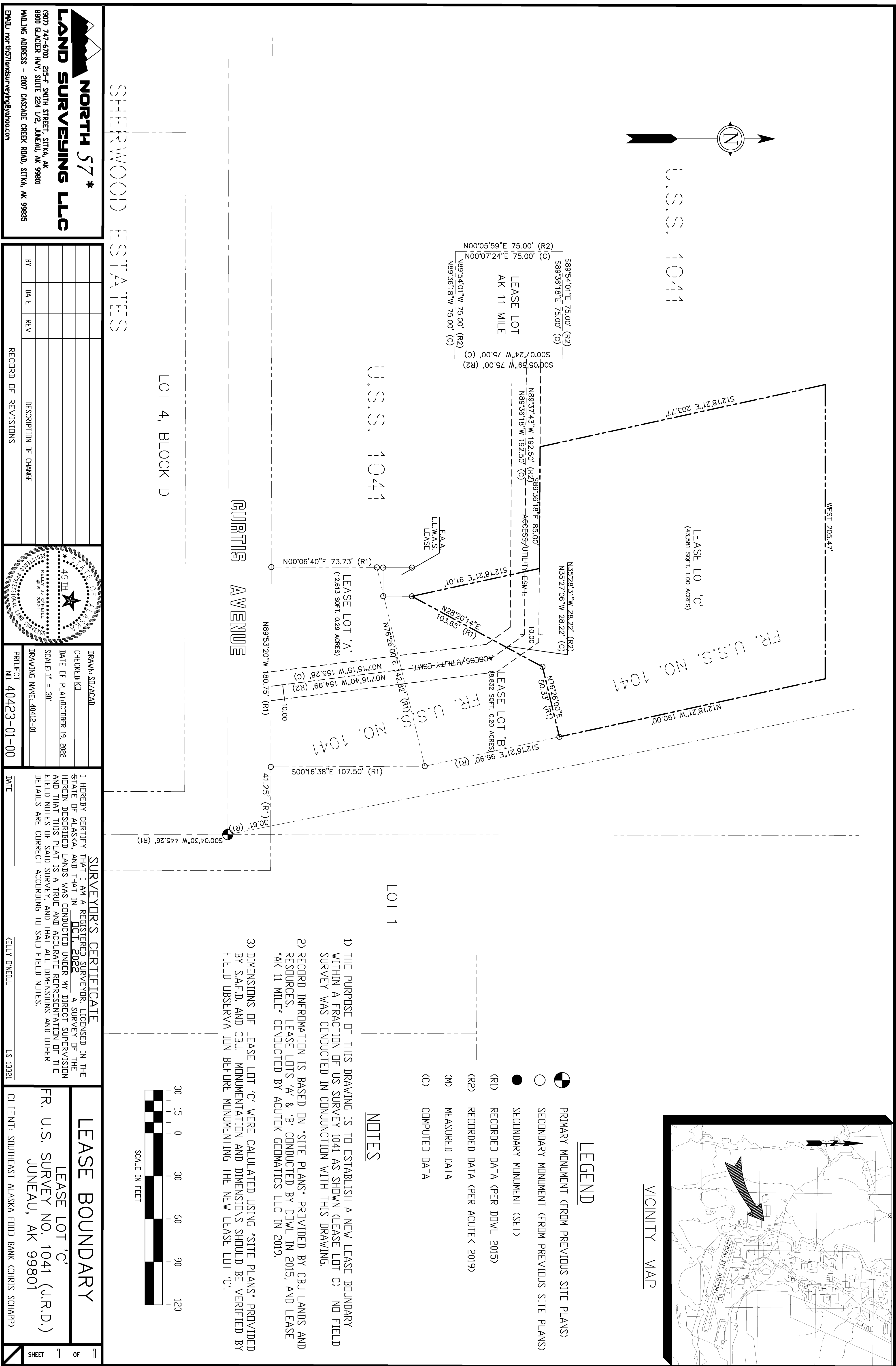
Our request to you is approving an additional 1 acre parcel of land lease adjacent to our current property. Attached is the pdf from North 57 land design with the specifications.

Our board has unanimously voted to approve this venture (12-14-2022) and request your support to make this happen.

With sincere appreciation and thanks,

Bob Piorkowski
Board President – SEAFB

Chris Schapp
Executive Director - SEAFB



Presented by: The Manager
Introduced: 04/27/2015
Drafted by: A. G. Mead

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2015-24

An Ordinance Authorizing the Manager to Lease a .50 Acre Parcel of Land near 100520 Crazy Horse Drive at a Reduced Rate to Southeast Alaska Food Bank for the Purpose of Expanding their Food Warehouse.

WHEREAS, the Southeast Alaska Food Bank, a non-profit organization, provides a food distribution system for service groups assisting the needy and homeless throughout Southeast Alaska; and

WHEREAS, the Food Bank has been operating on City and Borough property at the same location under an existing lease since 2005, and now would like to expand their leased area from .25 acres to .50 acres; and

WHEREAS, the purpose of the expansion is to allow the Food Bank to increase their food storage capacity, add more parking, and create efficient vehicular access to their facility; and

WHEREAS, the Southeast Alaska Food Bank will be responsible for obtaining all the necessary permits including those needed for filling any wetlands at this location; and

WHEREAS, CBJ 53.09.270(b) authorizes the lease of City and Borough land "to a private, nonprofit corporation at less than the market value provided the disposal is approved by the assembly by ordinance, and the interest in land or resource is to be used solely for the purpose of providing a service to the public which is supplemental to a governmental service;" and

WHEREAS, the Manager has determined that the annual market value for the entire 0.5 acres is \$1,244, of which \$622 is for the additional 0.25 acres; and

WHEREAS, the Planning Commission, at its meeting on March 10, 2015, recommended the Assembly approve the proposed lease to Southeast Alaska Food Bank; and

WHEREAS, the Lands Committee, at its meeting on March 23, 2015, passed a motion of support for the proposed lease to Southeast Alaska Food Bank.

NOW THEREFOR BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is non-code ordinance.

Section 2. Authorization. The Manager is authorized to lease a fraction of U.S. Survey 1041, comprising .50 acre, more or less, to Southeast Alaska Food Bank. The final lease shall be subject to the following essential terms and conditions:

(A) Term. The lease term shall be for a period of twenty-five (25) years but may be terminated by the CBJ if, for any period or periods totaling more than 18 months, the property is not used for the authorized purpose, or as otherwise authorized by the lease agreement.

(B) Renewal Options. The lease term shall not be subject to renewal. If the lease is terminated prior to the complete lease term, a new ordinance is required to lease the property.

(C) Adjustment of Rental. The rent shall not be adjusted during the lease term unless authorized by ordinance.

(D) Use of Premises. The leased premises shall be solely used for a non-profit food warehouse to serve the needy and homeless.

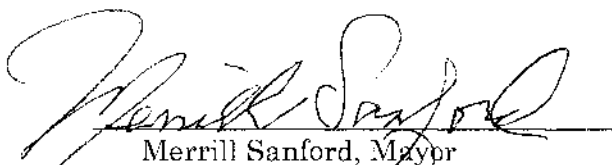
(E) Hold Harmless. The lease agreement shall provide that Southeast Alaska Food Bank indemnify, defend and hold harmless the City and Borough, its officers and employees for any claim related to or arising out of Southeast Alaska Food Bank's use, operation or maintenance of the leased premises.

(F) Rent. Pursuant to CBJ 53.09.270(b), rent shall be \$1.00 per year for the entire 0.50 acres, an amount less than the fair market value. The Assembly finds that the proposed use is for the purpose of providing a service to the public which is supplemental to a governmental service or is in lieu of a service which could or should reasonably be provided by the State or the City and Borough.


(G) Other terms and conditions. The Manager may include other lease terms and conditions as the Manager determines to be in the public interest.

Section 3. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this 18th day of May, 2015.


Merrill Sanford, Mayor

Attest:


Laurie J. Sica, Municipal Clerk

MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office
155 S. Seward St., Juneau, Alaska 99801
Dan.Bleidorn@juneau.org
(907) 586-5252

TO: Alicia Hughes-Skandijs, Chair of the Assembly LHED Committee
FROM: Dan Bleidorn, Lands and Resources Manager *Daniel Bleidorn*
SUBJECT: General Communications Inc. Lease renewal for Thane Earth Station Site
DATE: January 17, 2023

Since 1983, the City has leased a portion of the property identified as a fraction of Alaska Tideland Survey 556, Tract A to General Communications Inc. (GCI). This property is located on the southeast corner of the rock dump at 1580 Thane Road. The last renewal of this lease was authorized in 2018 and expires in February, 2023. GCI is interested in continuing to lease this property from the City and has requested a new lease.



The 1983 lease states that the purpose was to "construct and operate an earth station to provide satellite communication services between Juneau and other locations including one or more satellite antennas mounted on concrete foundations, equipment building containing radio transmitting and receiving equipment, microwave radio equipment, stand-by power generator and ancillary facilities." If this Committee supports this request,

fair market value will be determined by appraisal and the Assembly will authorize terms and conditions by ordinance.

Staff requests that the LHED Committee forward a motion of support to the Assembly for adoption of an ordinance to authorize a new lease to General Communications Inc. for the Thane Earth Station site.



March 1, 2018

General Communications Incorporated, Attn: Cathy Manka
2550 Denali Street, Suite 1000
Anchorage, AK 99503-2751

SUBJECT: Lease Renewal for GCI Thane Earth Station

Dear Ms. Manka,

This letter pertains to the land lease between the City and Borough of Juneau and General Communications Inc., dated March 1, 1983 and as amended February 25, 1986 and September 28, 1998, for a 15, 577.11 square foot portion of the City property identified as a fraction of Alaska Tideland Survey 556, Tract A, within the City and Borough of Juneau.

This acknowledges your request for the final extension of said lease for an additional five year term starting March 1, 2018 and terminating on February 28, 2023.

In accordance with paragraph 7, the rent shall be adjusted based on the estimated value of the premises as determined by the City and Borough of Juneau Assessor. The Assessor has determined that the fair market value of the leased premises is \$12 a square foot, or \$186,925.32. The annual rent of 12% will yield an annual lease payment of **\$22,431.04**.

This letter also acknowledges GCI's interest in continuing to lease the premises. It is staff practice to begin working on new lease arrangements with a lessee one year prior to a lease's termination. If GCI would like to begin negotiations and arrange for a new long-term lease sooner, the current extension could be in force until a new lease arrangement became effective if approved by the Assembly, resulting in the termination of the extension.

If you have questions, please contact me at Rachel.Friedlander@juneau.org or (907) 586-0617.

Best,

Rachell Friedlander

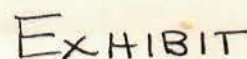
CBJ Lands and Resources Specialist

LESSOR: GENERAL COMMUNICATION INC.
705 DENALI STREET
ANCHORAGE, ALASKA 99503

PROFESSIONAL SURVEYOR

JUNEAU, ALASKA 99803

DATE	4-12-48	TIME	12-48
DEPT.	100	DRY NO.	100
FILE NO.	100	FILE NO.	100





(907) 586-0757
 Jill.Maclean@juneau.org
 www.juneau.org/CDD
 155 S. Seward Street • Juneau, AK 99801

January 19, 2023

MEMO

To: Alicia Hughes-Skandijs, Chair and Members of the Lands Housing & Economic Development Committee

From: Jill Maclean, Director, AICP

RE: Consideration of Accessory Apartments in Industrial Zoning Districts

Background

The preservation of Industrial zoned land has been at the forefront of the Assembly’s goals for a number of years. Given the greater and growing pressure to provide opportunities for quality housing, staff recommends that we review the purpose and the concerns for not allowing residential development in Industrial zoning districts.

Concerns center on the impacts of industrial uses (noise, odor, etc.) on residential units, and the concern that the owners of residential units will lodge complaints and push to shut down or limit industrial uses. Under current code, in Industrial zoning districts, an owner can be permitted a “caretaker” unit. These units are not restricted in size, and are supposed to have either the owner or caretaker of the site residing in the unit. Each lot is restricted to one caretaker unit regardless of the number of uses on the site. I recommend repealing the caretaker unit provision as it is antiquated and not used for its’ intended purpose (security, management of a site).

I concur with the concerns of residential uses in Industrial zoning districts. Rather than opening up Industrial zoned land to residential development, I propose that we consider and analyze the impacts of accessory apartments, which would require a primary industrial use on the lot. This serves to protect the industrial interests, while providing housing units. Although similar to a caretaker unit, accessory apartments are size restricted, which goes to protecting Industrial land for industrial uses. Additionally, depending on the language adopted, there may be opportunity to have multiple accessory units on one lot—not limited to one caretaker unit per lot.

Recommended Motion

Staff recommends that the LHEDC direct the City Manager to have staff draft the accessory apartment ordinance to provide greater flexibility for accessory apartments in Industrial zoning districts.



City and Borough of Juneau
 City & Borough Manager's Office
 155 South Seward Street
 Juneau, Alaska 99801
 Telephone: 586-5240 | Facsimile: 586-5385

TO: LHEDC Chair Hughes-Skandijs and Assembly

FROM: Rorie Watt, City Manager

DATE: January 13, 2023

RE: Cruise Ship Visitation Trends

Attached is an annotated chart showing the growth of cruise ship passenger visitation over the past 23 years. Next summer, if the ships are full, we are projected to receive 1.67M visitors; that is an extreme increase from Juneau's previous all-time high of 1.3 million in 2019. Note that a projection for 2023 is a different metric than the actual visitation of 2019.

Over the past several months, projections on whether ships will run closer to full capacity have only become more bullish – sales information is anecdotally very strong. General belief in the industry is that ships will be more than 90% full. Summer of 2024 capacity is also similarly scheduled at 1.68M (note that the number is stable to 2023 even though the 2024 schedule essentially has a maximum of five ships per day). Both 2023 & 24 will materialize into a 16-30% increase of our previous record (assuming ships are 90-100% full), an increase of up to 375K visitors. Ship visitation has increased, as has the average ship size, some of visitation growth is shifting to the shoulder season with ships arriving earlier and staying later than previous years.

In 2018-19, the industry closely watched our VITF discussions, nominally understands, and verbally supports our goals. But in practice, the individual lines are competitors and the proposed schedule shows that they will continue to respond to market opportunities. Individual or collective restraint on visitation growth shows little sign of actually happening. That said CBJ relations with the industry collectively through CLIA or directly with individual lines is generally excellent. We have to acknowledge that the forces that drive large company behavior are difficult to harness. People generally assume that government is bureaucratic; I can assure you that policy change for large multi-national corporations is exceptionally difficult. It is far more difficult for cruise ship companies to change their economic behavior than it is for CBJ to change policy.

Resolution 3011 is before the Assembly and would adopt five policy objectives from the Visitor Industry Task Force recommendations, including a limit of five cruise ships per day and a strategy of congestion management. The VITF was additionally reluctant to recommend a hard cap on visitation, citing legal and logistical issues. However, the general tone was that greater than 1.5M passengers could be a tipping point, would likely not be good for the community – too much congestion, not enough tour opportunities, too much neighborhood impact from tours. I would also now add the very real question as to whether tourism retail or tour operators or destinations will be able to hire workforce to serve additional visitors and a lack of housing looms over many municipal decisions.

If visitation already exceeds what the VITF thought was healthy for the community with four docks and a ship at anchorage, the question has evolved even *more pointedly* to how a fifth dock can achieve better management of tourism without creating excess visitation as the VITF intended. Some thoughts and potential pitfalls follow, they are all interconnected, the situation is dynamic and fluid. And very complicated; I encourage the public to avoid over simplifying the issues.

Visitor Industry Task Force Thinking:

The general consensus was that a fifth dock could result in similar visitation with better results, if bundled with:

- Elimination of ships at anchor

- Elimination of hot berthing (notably at the AJ dock)

- An agreement to move ships around the harbor to achieve "best ship at best dock"

The VITF also recommended negotiation over regulation, but as of yet negotiation has not yielded the above management topics. This thinking was all predicated on a level of visitation that would have been a lot **lower** than we are already going to see in the next two summers.

Cost of Fifth Dock:

In an effort to gain community support, NCL painted compelling infrastructure development pictures (and Huna Totem has done so to a lesser degree). Essentially both parties have proposed expensive facility plans that are tailored to satisfy comment, complaint and community desire in an effort to gain public support. However, the larger dollar amount that is invested in a fifth dock and associated facility, the more the investor will want and need to recoup that investment – and a growth in overall port visitation is an obvious outcome of a big infrastructure investment. A subport dock investor would be incentivized to recruit ships from other docks, schedule ships on days when there are openings in the schedule, or schedule larger ships at the expense of smaller ships. The other private docks would be incentivized to do the same. ***Ironically***, a nicer more expensive dock and facility at the subport that is tailored mitigate issues and respond to public wishes could heavily incentivize an overall **increase** in visitation.

In order to accommodate more visitors without creating community conflict, an investment in ***tour opportunities*** would be rational. Given that all money is derivative from visitors, the pool of potential money is limited. As a thought process, think about the following question – would it be better for the community to have a \$20M investment in an underground parking structure on the waterfront or better to invest that same \$20M to create new tour opportunities?

Regional Dynamics:

It is often helpful to think of cruise ship itineraries as we analyze the Juneau situation. There are **3** berths in Vancouver and **3** in Seattle, allowing about **6** ships a day to initiate itineraries to Alaska. Ketchikan now has **6** berths (**4** downtown and **2** at Ward Cove), Glacier Bay allows **2** ships per day and Tracy Arm can accommodate **2** to **3**, staggering with Endicott Arm, the combination of Skagway (**4**, maybe decreasing), Icy Straits Point (**2**) and Sitka (**2**) makes an additional **two** berths in Juneau a natural fit for seven day itineraries. Berthing in Juneau continues to be a critical itinerary link for the companies. Cross gulf itineraries, ten day itineraries and other ship schedules are also becoming more common as ships seek itinerary opportunities. Generally, a seven day itinerary is the lion share of the visitation to southeast and is based on a “3 ports and a glacier” model which initially included Vancouver or Seattle, Ketchikan, Juneau, and Skagway and Glacier Bay. The rest of the 7 day regional system can accommodate **6 originating ships** on any given day.

While Juneau contemplates **5** ships per day and a **5th** dock, the southeast itinerary already can handle **6**.

Lightering:

Currently ships at anchor lighter at a CBJ facility. One method of controlling growth would be to not provide lightering services; which would obviously be discouraging to ships wanting to anchor in Juneau. The Franklin Dock is on tidelands leased from CBJ, the lease **prohibits** lightering. The A.J. Dock is on tidelands leased from State DNR and has no such prohibition.

Freight Corridor/Road Congestion/Lack of New Tour Opportunities:

We should be prepared for enhanced roadway traffic this summer, including complaints and frustration. Most effected is South Franklin/Thane Road from the Rock Dump to Main Street. It is unclear where and how an additional 380,000 passengers in 2023 could enjoy tour opportunities. Juneau’s biggest tour opportunity is the Mendenhall Glacier, which accommodates about 700,000 visitors per summer. Whale watching and flight seeing are likely already near acceptable community maximums. Much of the growth in visitation has come to the AJ Dock, which creates proportionately more vehicle congestion (longest transit through the congested corridor).

Peak Tourism:

There is some community belief, particularly during the VITF process that we would eventually reach a natural limit to the numbers of ships and tourists that come to Juneau, or that the limit would be reached by the limits of available infrastructure. Given the 2023/4 visitation level, we should try very hard to ***truth test this assumption***. We have tremendous growth the next two summers ***without infrastructure addition***.

As a numerical comparison, we have projected an initial visitation to Eaglecrest (once the Gondola of 75,000 visits, growing to 192,000 in year twenty five. The increase in cruise ship passengers from 2019 to 2023 could be approximately double the long range Eaglecrest estimate (if the ships run close to full). In the short run ***we are clearly adding far more visitors than tour opportunities.***

Ship Sizes/Historical Berthing:

Ships have incrementally increased in size over the last three decades. Time was in the early 2000's that a 700' long Holland America ship at the downtown docks was considered a big ship. The old Nieu Amsterdam had 1,200 passengers and that ship's berthing spot has been replaced by ships like the 983' long Koningsdam with 2,650 guests. Other lines have similar jumps as the Norwegian Star with 2,348 that was effectively replaced by the Bliss with 4,004. The industry maintains the historical pecking order, even when the ships grow dramatically.

Dock Pricing/Best Ship at Best Dock:

Disparity in dock pricing leads to inflexibility in berth scheduling – which stymies the “best ship at best dock” management theory. That theory is the idea that the port should holistically locate ships to achieve community goals, including limiting congestion. CBJ's docks are better located and are better quality facilities than the two private docks, yet charge less – effectively around \$5-7/passenger less. Ships won't give up a cheaper, better located, first class facility to move to an inferior more expensive location, ***even if it is better for the port and the community.*** Ongoing discussions with industry and dock owners are targeted at resolving this disparity. We have made slow and as yet unmeasurable progress on this topic.

Undiscussed Strategy - One Dock becomes a smaller ship dock:

Cruise lines logically maximize their use of our scarce resource – the scheduled ability to come to Juneau on any given day. If the lines are motivated to swap smaller ships out for larger ships (a long time trend), one strategy could be to court smaller ships (usually with passengers in a high economic bracket) by giving preference at a particular dock. This could accomplish two goals – maintain a diversified visiting demographic and provide a means to limit growth. The blend of public and private docks makes this ***idea very difficult*** to achieve. In terms of congestion, the logical outcome is that big ships would move to the subport and small ships would go to the privately owned AJ dock. Private businesses don't normally willingly give up business for a public purpose.

Congestion Management:

Doing a better job managing tourism downtown does not help on the tour side – managing downtown well does not create more tour opportunities. Also, by moving roughly a fifth or more of the visitation to the subport, we likely move about a fifth or more of the retail opportunity. It is unclear if this change makes year round activity downtown more or less likely. Some existing downtown retailers and/or restaurants may or may not think dispersing the density of passengers is a good idea. In fact, respondents to our public survey were evenly split on whether to spread visitors out across the Borough or confine tour activity to a few established areas.

Do the Math:

If a subport development (including a dock) costs the cited \$100M to \$150M and a dock owner wishes to recoup those costs, then let's do the math. A prudent private sector investor might wish to pay for a capital investment in a manner that generates profit and covers debt in a period shorter than the life of the asset. One fifth of 1.7M passengers is 340,000. Borrowing fifteen year debt at 5% interest to be paid by 340,000 passengers would cost each passenger around \$28. That is dramatically higher than other docking charges. One lesson in this is that we largely undervalue what it is worth to the cruise lines to come to Juneau, and/or the ***value of completing*** an NCL “constellation” is quite high. (NCL already has berthing agreements with Seattle, Ketchikan/Ward Cove, Icy Strait Point; Juneau is the missing piece of the puzzle). As a governmental entity, we are not privy to the details of these private agreements, even though they drive pressure on our situation. It seems quite likely that a lump sum project support from NCL could be part of that side car agreement. Regardless if a dock development is financed over time, or with an upfront sum, the funds are all derivative of passenger bookings.

Summary:

Even by doing no infrastructure improvements, cruise ship passenger visitation to Juneau is set to grow dramatically. A fifth cruise ship dock could be an effective tool for congestion mitigation and/or it could be the means to grow visitation. The Assembly and public need to be very mindful of the details and purposes that it

wants to achieve while it considers this important community decision. The 2023 calendar of s increased visitation calls into question some of our basic assumptions.

Hard and complicated decisions need to be made about the waterfront. And I think good to have some introspection and re-evaluation assumptions and reactions. Some good questions to ponder include:

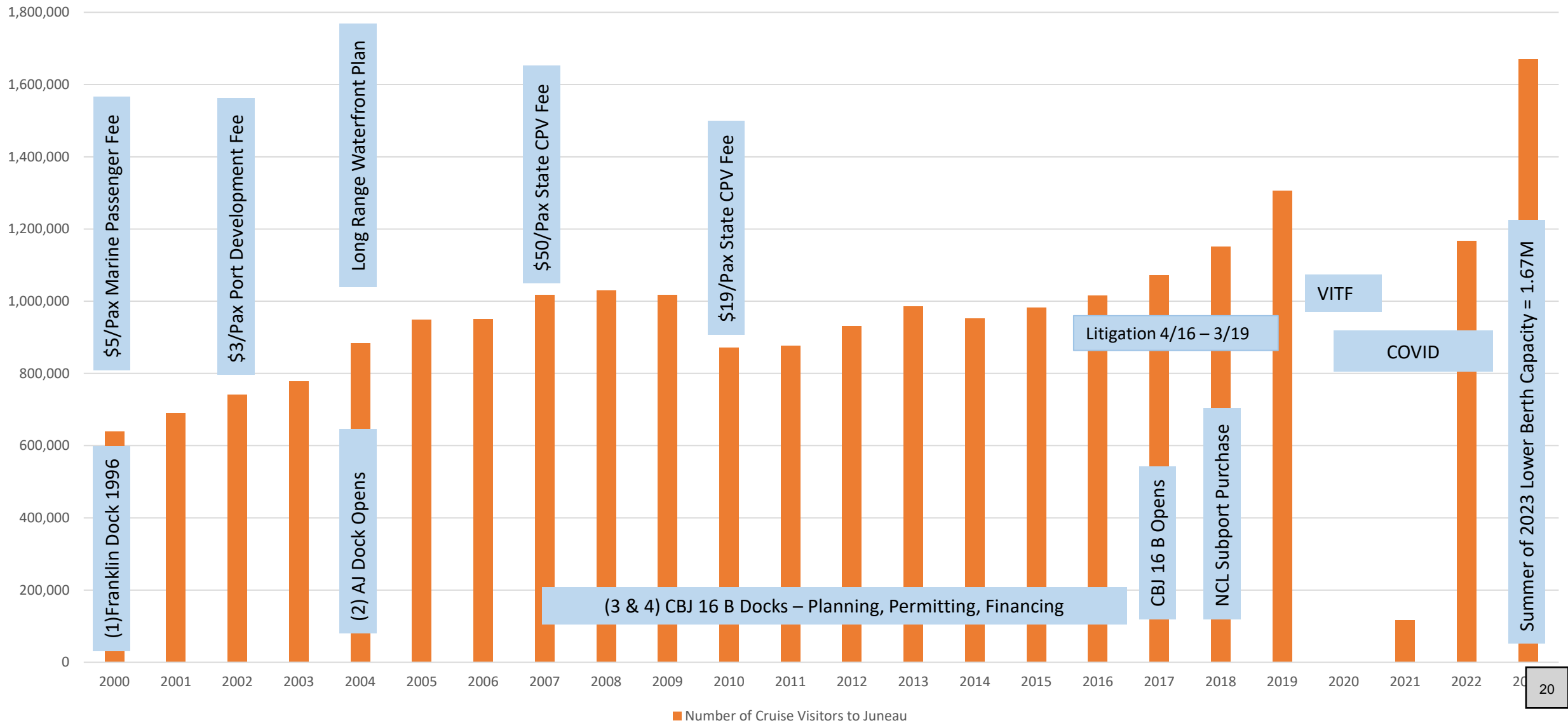
- A. Is 1.7M passengers materially different than 1.5M or 1.3M? If so how and what should we do about it?
- B. At what point is a visitor's experience diminished and Juneau becomes a less desirable place to visit?
- C. Are we supportive of increased shoulder season visitation? (Note that retail and tour operators are not necessarily operational earlier and later, staffing is an issue).
- D. Do we understand the impacts on our housing market from the cruise ship economy?
- E. Is it a general area of agreement that there isn't community support for particular types of tours – notably whale watching or flight seeing?
- F. Are more tour options a need for Juneau as a community? This is similar to the better to concentrate or disperse tourism question.
- G. Is it even possible for cruise ship companies to self-limit visitation?

I can see persuasive arguments and opinions on all sides of these issues. COVID has changed the community and with two summers of little tourism, we are more informed on what a summer without cruise ships looks like, more informed about the economic effects. I expected the summer of 2022 to be a little jarring for the community with visitation returning to a high percentage of pre COVID levels. But, we had rather little community push back and complaint. Maybe this was because we are ready to be back to "normal" maybe because the ships weren't running full, maybe because tour operations weren't fully staffed up. It also rained a lot in 2022 and people stayed inside more.

It's hard to say what this summer will feel like to the community. Maybe the increase in visitation will feel incremental and acceptable or maybe the cumulative impacts of tourism will cross the line and Juneau residents will not have enough separation or a "break" from big ship days and we'll feel like we just boiled the frog - aka community good will.

I encourage introspection and consideration of all sides of these questions and issues. We need a respectful and thoughtful dialogue with and in the community.

Number of Cruise Visitors to Juneau and Milestone Events







(907) 586-0757
Jill.Maclean@juneau.org
www.juneau.org/CDD
155 S. Seward Street • Juneau, AK 99801

January 19, 2023

MEMO

To: Alicia Hughes-Skandijs, Chair and Members of the Lands Housing & Economic Development Committee

From: Jill Maclean, Director, AICP

RE: Schedule of Upcoming Land Use Code Work

Background

Below, please find an outline of upcoming land use code work barring any unanticipated work or changes to priorities. These items and scheduling are based off of outcomes from the Assemble retreat, Assembly / Planning Commission joint meeting (2022), and the Manager's Office.

Chapter 35 Short-term Fixes (public and private infrastructure)

- 2/24 T49 Comm. meeting to discuss LHEDC Private Shared Access Ord. (December 19, 2022)
- 3/16 remainder of Chapter 35 proposed fixes

Stream Setback Ordinance (Anadromous Waterbodies Buffer)

- Staff is finishing the draft ordinance
- 2/28 PC public hearing regular meeting
 - Outcome: anticipate ordinance is recommended to Assembly for approval

Hazard Maps and Ordinance

- CDD is wrapping up memo, staff report; Law has drafted the ordinance; CDD needs to review
- 3/14 @ 5:30PM (pizza included) T49 Comm. sitting as the COW
- 4/11 PC public hearing regular meeting

Recommendation

No recommendation at this time.