



ASSEMBLY LANDS HOUSING AND ECONOMIC DEVELOPMENT AGENDA

August 29, 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
- B. LAND ACKNOWLEDGEMENT
- C. ROLL CALL
- D. APPROVAL OF AGENDA
- E. APPROVAL OF MINUTES
 - [1.](#) August 8, 2022 LHED Minutes
- F. AGENDA TOPICS
 - [2.](#) THRHA Request to Acquire City Property located at Pederson Hill
 - [3.](#) Telephone Hill Appropriation Ordinance
 - [4.](#) Telephone Hill Pending Lease Request
- G. STAFF REPORTS
 - [5.](#) City Land Acquisitions and Disposals 2011-2022
- H. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS
- I. STANDING COMMITTEE TOPICS - 2022 LHED Committee Goals
 - [6.](#) LHED Committee Goals
- J. NEXT MEETING DATE
- 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 STANDING COMMITTEE MINUTES
LANDS HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
 August 8, 2022, 5:00 P.M.

I. CALL TO ORDER

II. LAND ACKNOWLEDGEMENT

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

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

Members Absent: none

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

Liaisons Absent: none

Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Jill Maclean, CDD Director; Rorie Watt, City Manager; Irene Gallion, Senior Planner

Members of the Public Present: Charlie Moline, Moline Investment Management LLC

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

V. APPROVAL OF MINUTES – June 27, 2022 draft minutes were approved as presented.

VI. AGENDA TOPICS

A. Moline Investment Management Request to Purchase City Property Located at Pederson Hill

Mr. Bleidorn discussed this topic. Mr. Bryson asked if we could stipulate in this transaction that the developer build a city road. That seems to be the sticking point in some of the developments that we've had over the years, and if we say you have to build a city road then we could eliminate that troublesome component of development. Mr. Bleidorn replied that in discussion with the applicant, Mr. Moline, it was brought up that we have access to Karl Reishus Blvd., but he is looking at developing the area that continues over to Hamilton Street with an undeveloped ROW. We talked about connections with that road, which would be great for emergency response and safety issues.

Mr. Bryson replied that he was looking if we could actually stipulate that, if the applicant agrees to buy this property they would have to build a city level road, so we can eliminate that out of the development component. Part of the issue that we're running into with some of our other developments that developers are not wanting to completely build a full road, which can shut off other land from development. Ms. Maclean replied that under the land use code, we do have alternative residential subdivisions, which are not required to build a city street because it is costly. As long as it does not block undeveloped land, you can't land lock the land behind you using that subdivision, but if the future owner of this property had the ability to maybe do both I would recommend that we keep the option open that they allow the land around it to be further developed, but there may be a way that part of the site, because it is quite large, might be another form of subdivision that was not a city street. That may give a better balance of the cost while still allowing for housing, and not to get into the alternative residential subdivision greatly, but that is the one that the Assembly adopted a couple of years ago that does allow for the small unit lots which can also make the development a little bit more affordable.

Wáahlaal Gíidaak asked to clarify between the Moline application and the Tlingit Haida Regional Housing Authority (THRHA) application, if they are both in the same area. Mr. Bleidorn replied that they are requesting two separate properties. THRHA is interested in an area known as Phase 1B &

1C Pederson Hill, which exists as a separate lot and we have a preliminary subdivision plat which they plan to use to determine square footage to build single family homes. It's already legally defined as an independent lot, so the Assembly can sell it essentially very easily. The Moline property is a future phase of Pederson Hill that's largely undefined right now and is in a different area. Both of these applications can move forward simultaneously as they're working on separate areas of land.

Mr. Mertl asked if the applicant is saying they would do a 60% AMI or less, is there any legal recourse or requirement that is meant. If, say 5 – 10 years down the road they couldn't do it at that level and are actually doing 80% AMI. Obviously the 60% is attractive, but wondered about any legal recourse to make sure that that threshold is maintained. Mr. Bleidorn replied that there are federal requirements to those tax credits and if you're going to receive those tax credits, you have to follow the rules, which are 60% and less. I'm sure there are some ways that the city attorney could help us draft regulation within the sale documents that would allow the Assembly to maintain that, but I think the applicant also understands that they'll also have to follow those federal regulations.

Mr. Smith asked what size is this lot. Mr. Bleidorn replied that the applicant is looking to build about 60 units on about 10-acres. There's going to be some property that will be undevelopable because of drainage and water quality issues and then also the road alignment is going to take up space.

PC Cole asked if the 60 units will all be multifamily. Mr. Bleidorn confirmed the application is for multifamily.

Mr. Smith commented that the 15 – 30 year span seems like a very broad span and is excited for this. He asked about details, would it be a minimum of 15 and up to 30 or what does the hyphen mean. PC Cole replied that generally, for tax credit properties, there's a 15 year absolute and then a 15 year follow up. Unless the property changes hands or is foreclosed or somehow it ends the affordability contract, which it can't in the first 15 years, but it's possible and the next 15 years if it continues the same ownership, it has a 30 year affordability.

Mr. Moline commented that the tax credit deals are for a mandatory 15 years and there can be an extended use period for another 15 years, it depends on the structure of the deal. I would imagine this one, with Alaska being a point based state with the tax credit allocation that it'll end up being a 30 year project. Something we also talked about in our meeting was putting in townhomes for Coast Guard families, which would be market rate. We like that idea because there's some single family neighborhoods up there and having some townhomes on the either end of the multifamily, but wouldn't be part of the tax credit development. It's something that would help the Coast Guard solve their housing problem and we're thinking of developing maybe 10 – 12 townhomes.

Ms. Triem asked Mr. Moline about the low income housing tax credit program and understood it's administered at the statewide level and is competitive. What are the chances of a successful application for this project and is there a plan B if the application is unsuccessful. Mr. Moline replied that he thinks it will be successful because of the housing crisis and the massive housing shortage in Juneau. Our chances of being awarded are pretty strong, all our research and our consultants are really excited about Juneau and think we have a very strong chance of being awarded a project. Getting the land tied up is the first step, we have to have the zoning on the land to move forward. When we submit these applications there's an option to execute the purchase on a successful

award. If we're not awarded, then we would put in another application the next year. It's not uncommon for it to take two years to get an award, but we think we'll be successful in Juneau. Mr. Smith asked Mr. Moline about his application for 40 – 60 units of low income and imagines the plans are changing, but is that the number you're proposing for a subdivision. Mr. Moline replied that they are going to maximize the site and put as many doors there. I would really like to get to D18 because there are some wetlands, drainage, setbacks, and we're not trying to develop this right up against one of the single family homes, and we'd like to landscape and put in a buffer. If we can get the density we will put as many affordable housing units as we can. The tax credits are required at 60% AMI, that's not a number that we came up with, that's federal law section 42. It's a federal program and that's how these tax credits are allocated, but we would like to do as many as possible and it's a multi-phase project, because the cost of the infrastructure, putting in the city roads, and clearing the land is going to be expensive, we may only get 32 to 40 doors and a handful of the market units built year one, and then a year or two later we maximize the rest of the site.

Mr. Smith followed up to ask if anyone else has expressed interest in this property. Mr. Bleidorn replied that we have received no interest in the property that the Moline application and covers but the Assembly has not advertised it.

Mr. Bryson moved that the Lands, Housing and Economic Development Committee forward this application to the Assembly with a motion of support to negotiate for disposal of City property to Moline Investment Management. Motion passed.

B. Telephone Hill Acquisition

Mr. Bleidorn discussed this topic. Wáahlaal Gíidaak commented that that this area needs to have a full analysis of any toxins that have leached into this this area to ensure that the state is upholding their obligation to clean those up and it doesn't become the city's obligation later. Mr. Bleidorn replied that this is a concern and the city is taking it seriously and continuing to work on this. As far as responsibility goes, some of that will have to be worked out, that's definitely something we're going to consider and I'll take that question with me and continue to work towards it.

Mr. Bryson moved that the Lands, Housing and Economic Development Committee recommend the Assembly adopt Resolution 2999. Motion passed, no objections.

Mr. Bryson made a statement that this is an amazing property and can see why people are starting to look at it and think of what the potential could be, it is a really neat piece of land.

C. Ordinance 2022-30 An Ordinance Amending the Official Zoning Map of the City and Borough to Change the Zoning of Catholic Community Services Property Located near 1800 Glacier Highway, from D-10 to Light Commercial.

Ms. Maclean discussed this item and made a clarification comment about the medium density residential. When Catholic Community Services applied for a rezone last year, there was also an applicant on North Douglas requesting light commercial, but it was in an area classified by the comprehensive plan as medium density residential, which allows for up to 20 dwelling units per acre. Light commercial is 30 units per acre and as we went through the process Catholic Community Services opted to sort of hang back and see how that flushed out as it went through the Planning Commission and the Assembly to see if it would be adopted. The Assembly did adopt that rezone to

light commercial, finding that with doing 30 units per acre does qualify under medium density residential. At that point Catholic Community Services move forward and requested neighborhood commercial as their first choice, but we're happy to take light commercial as their second choice. At the Planning Commission there were some questions about neighborhood commercial, which was drafted when we were working on the Auke Bay zoning. It was really intended for areas like Auke Bay or downtown Douglas, not to be confused with downtown Juneau but downtown Douglas, or the small village like areas where we wanted the structures pushed to the front of the property to encourage the pedestrian feel and in the activity in those areas. At the Planning Commission they felt that this wasn't quite the right fit and preferred light commercial instead. That still provides the applicants with the uses and activities that they are looking for. In a way it may have benefited them to be to hang on a bit because they had discovered, through Covid and everything else with housing, they had decommissioned units for their traveling medical staff pre-Covid. Now during this process, they decided that they want to keep those available to them for housing to bring in medical personnel. Light commercial covers all of those needs, as well as their office, treatment, and administrative uses of that site. They seem pleased with this either way.

Chair Hale asked if we are losing housing in this transaction or is Catholic Community Services going to transition existing housing to office spaces. Ms. Maclean replied no, and that years ago Catholic Community Services had apartments they no longer needed at that time, and so they decommission them and switched them to offices. But now, with these opportunities, they will be able to accommodate several apartments, somewhere between six and nine, as well as their other office and administrative uses that they need on the site so they're looking to bring those back.

Wáahlaal Gíidaak moved that the Lands, Housing and Economic Development Committee forward Ordinance 2022-30 to the full Assembly. Motion passed, no objections.

D. Ordinance 2021-36 An Ordinance Amending the Land Use Code Relating to the Downtown Juneau Alternative Development Overlay District.

Ms. Maclean discussed this item. Chair Hale asked to clarify this ordinance, if it makes permanent the temporary overlay district. Ms. Maclean replied yes, but it's different. The temporary overlay district was very quickly created and we just pulled it together fast to help people because we were seeing too many variances that could not be approved. As we were working on this, it is much more detailed and flushed out, it hopefully creates the flexible setbacks and lot size that make redevelopment easier. Yes, it's replacing the temporary overlay, but it is different than the temporary overlay that's in place. Chair Hale added that these places are eliminated from the overlay district the areas that are not included are actually mixed use, and so they already have the ability to not have those severe restrictions that happens.

Mr. Smith asked that by adopting this ordinance with this alternative overlay district, do we reduce the number of non-conforming properties. Ms. Maclean confirmed and added that we reduce the number of non-conforming situations, so in each instance lot size is one of the trickier ones. In most cases, if you were non-conforming potentially for setbacks, vegetative cover, or parking, those types of things, parking is now taking care of with the parking ordinance, but maybe not necessarily all the property situations, but many of them.

PC Cole thanked Ms. Maclean and the Planning Commission on this work and noted the floating setback box, which is flexible and is going to help people redevelop or develop places to live downtown on irregular lots, which is a great idea.

Mr. Smith moved that the Lands, Housing and Economic Development Committee forward Ordinance 2021-36 to the full Assembly. Motion passed, no objections.

VII. STAFF REPORTS

VIII. COMMITTEE MEMBER/LIAISON COMMENTS AND QUESTIONS

No updates.

IX. STANDING COMMITTEE TOPIC

A. 2022 LHED Committee Goals

No updates.

X. NEXT MEETING DATE – August 29, 2022

XI. RED FOLDER ITEM – Tlingit Haida Regional Housing Authority Interest to Purchase Pederson Hill
Mr. Bleidorn discussed this item. It is a different application from the Moline interest to purchase city property at Pederson Hill. THRHA is a nonprofit and the Assembly has the ability to work with them under the section of code that allows for sales at less than fair market value. The appraisal for this property came back at \$635,000. This item will be in more detail at the next LHED meeting.

Mr. Smith asked how large these parcels are and any idea on the number of units or homes might be developed. Mr. Bleidorn replied that we have an approved preliminary plat for this subdivision. The smallest lot is around 3800 square feet, and if you can imagine Karl Reishus Blvd., which was Phase 1a, coming up the hill, the lots adjacent to that are already disposed, this a byproduct of building that access. Phase 1B & 1C is the meat of Phase 1, where you get the well-defined rectangular lots. The center ones are small, almost to the minimum size for the D10SF. The total subdivision lots with all three phases was 86, it would be 86 minus the 18 that are already built. THRHA is interested in using the data and information that the city has already collected on those two phases. The development would be something similar to what you've seen with the previous preliminary plats and I can provide images of all that at the next meeting.

Mr. Bryson asked about the stubs, and if the Moline purchase goes through which one would be his stub out. Mr. Bleidorn replied that Karl Reishus Blvd has five road stub outs in five directions and the Moline application would be one of those. If we move forward, the stipulations would be he'd have stubs continuing to city property potentially giving us two in two directions. The stub out that goes north starts to get into that area where the topography is such that we get above a certain elevation and pressure for water and sewer becomes an issue. Developing north would take future city investment. Phases 2 & 3 have three of the five stub outs, we'd be working with the Housing Authority on three of those.

Mr. Watt pointed out that something that may seem obvious now but maybe it was hard to see at the time. When staff recommended the Pederson Hill subdivision it was controversial and it was expensive. The reason it was expensive is we developed the easy land and we sunk a lot of money

in that access road. The early criticism of Pederson Hill was “oh, my goodness, the city spent an awful amount of money on this road for 17 lots,” but it was the long term vision that allows us to entertain things like the Moline requests and the Housing Authority request. The fact that we have two entities, a nonprofit and a private sector, coming to us and what they're saying is “you opened up some really good land by sinking money into that access road, which was a really good idea and I never would have done that, because it takes too much capital.” I think we have to be thinking about the cost of those access roads to get to the good land moving forward. We see a lot of activity where developers are trying to figure out how to avoid putting money in those roads, because, in order to pencil out for a development, it just doesn't make sense to for them in a shorter horizon to risk that much money for something that may take decades to pay out. We're interested in things that take decades to pay out but that's a hard thing for the private sector to do. I think it's really good to focus on investments that open up land. This helps the city Lands office, with the thinking that “this is great, I don't have to work on developing new phases of the subdivision, we’ve got a private and nonprofit entity working on that.” I think we can congratulate ourselves a little bit on taking that effort, but also applying that thinking on how other entities in the community make decisions based on this problem, it's a big piece of our housing problem.

Chair Hale noted two things, one, that a lot of city staff have had to kind of suck it up while people have been very critical of the Pederson Hill development, and so we see some things coming to fruition now. The other thing that we hear a lot about is infill, and this is infill, so this is taking advantage of the infrastructure that we have in place and I just I think that's really worth noting.

Mr. Bryson commented about these properties and what was causing some of the problems. The reoccurring theme is the incredibly high cost of building a real road for access. Private developers don't have often the capacity of having that real road, maybe if we're working on a way to solve it, maybe some type of loan program or something that the city could do on a developer's behalf, to help fund, loan, finance, or facilitate getting the proper road built. The end result will be more land available for housing. I don't want to be handing over cash to developers, but assisting them at building public roads. There's has to be some merit to that because building a proper sized road seems to be the recurring problem of developing some of these larger lots. What can we do seems like an appropriate committee conversation. Chair Hale replied that was what the Manager was referring to and it is a good point to make.

Chair Hale asked about the appraisal at \$635,000 and the city could do something at less than fair market value, as the housing authority is a nonprofit. Mr. Bleidorn confirmed that was correct.

XII. ADJOURNMENT - Chair Hale adjourned the meeting at 5:57 PM.

MEMORANDUM

CITY/BOROUGH OF JUNEAU

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

TO: Michelle Hale, Chair of the Assembly LHED Committee
FROM: Dan Bleidorn, Lands and Resources Manager *Daniel Bleidorn*
SUBJECT: THRHA Request to Acquire City Property located at Pederson Hill
DATE: August 4 2022

The August 8, 2022 LHED Committee meeting packet included a Red Folder Item, a letter from Jacqueline Kus.een Pata, the President & CEO of Tlingit Haida Regional Housing Authority (THRHA). The letter requested that the Assembly consider the less than fair market value disposal of City property for the public purpose of developing City property to provide housing for "low-income tribal citizens" and "moderate income Juneau residents" under City code section 53.09.270.

The property that the THRHA is requesting consists of a roughly 11.5 acre parcel. This parcel has an approved preliminary plat that is known as Phase 1B and 1C of Pederson Hill. The preliminary plat shows 69 lots in total. The application states that THRHA anticipates construction of roads and utilities would begin in 2023, with construction of homes beginning in 2024.

The City recently had the property appraised and the value has been determined to be \$635,000. That being said, the City has already invested time and money into the preliminary plat and design for the next two phases. Prior to developing Karl Reishus Blvd. the value of the City property with no access was estimated at \$10,000 per acre. The THRHA did not specify the requested purchase price, just that the request is for less than fair market value. THRHA further indicated it was asking for the property at no cost.

53.09.270 - Disposals for public use.

(b)Disposal to nongovernmental agency. The sale, lease, or other disposal of City and Borough land or resources may be made 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 or is in lieu of a service which could or should reasonably be provided by the state or the City and Borough.

After the LHED Committee review on August 29, this application will be brought to the full Assembly as a New Business item in order to determine if this proposal should be considered. If the Assembly chooses to proceed with this application, the City Manager will draft a Purchase and Sales Agreement and the City Attorney will draft an Ordinance for assembly introduction and public hearing.

Staff requests that the LHED Committee provide a motion and forward this application to the Full Assembly in accordance with 53.09.270 - Disposals for Public Use.

Attachment:

1. August 5th, 2022 Jacqueline Kus.een Pate, President & CEO of Tlingit Haida Regional Housing Authority (THRHA) letter of interest to purchase Pederson Hill lots.
2. Preliminary Plat and Map
3. Appraisal Summary



{907} 586-0715
CDD_Admin@juneau.org
www.juneau.org/community-development
155 S. Seward Street • Juneau, AK 99801

August 26, 2022

MEMO

From: Joseph Meyers, Housing & Land Use Specialist, CDD
To: Lands, Housing, and Economic Development Committee
Parcel No.: 4B2201010103

Legal Description: PEDERSON HILL II LOT 2B

RE: Tlingit Haida Regional Housing Authority (THRHA), Pederson Hill Phase 1B & 1C

According to the 2016 Housing Action Plan (HAP), there is a need to create a new framework for housing policy in the CBJ. Recommendations within this framework recommend three overarching ideas for doing this:

- Elevation of housing as a priority
- Re-thinking of resource priorities
- Creation of stronger partnerships with non-profit and for-profit developers

The HAP encourages the CBJ to foster stronger relationships with developers, through creation of incentives to reduce developer risk – with the benefit to the CBJ of creating new affordable housing. The proposed development of this land by THRHA is an opportunity to incentivize creation of affordable housing in the Borough.

In exchange for low-cost land resources, the THRHA will create energy-efficient, affordable and middle-income housing while employing tribal citizens from within our community.

Providing this land resource to THRHA, through a negotiated sale (CBJ 53.09.260) or through disposal for a public purpose (CBJ 53.09.270), would be a strategic investment in affordable housing and the local economy. Additionally, this type of disposal is supported by Planning Commission and Assembly adopted plans, including the 2013 Comprehensive Plan (Policy 17.2) and the 2016 Lands Management Plan (Goal 1 & 2).

August 5, 2022

Mr. Dan Bleidorn
Division of Lands and Resources Manager
City and Borough of Juneau
Dan.Bleidorn@juneau.org

Re: Letter of interest to purchase Pederson Hill lots

Dear Dan,

Tlingit Haida Regional Housing Authority (THRHA), a 501(C)(3) nonprofit corporation, is requesting to partner with the City and Borough of Juneau to develop Phase 1B and 1C of the Pederson Hill subdivision. As a nonprofit corporation, we are making our request under the CBJ code for a negotiated sale or for disposal for a public purpose.

In 1995, THRHA and the CBJ negotiated the sale/purchase of the 50-unit S'it'tuwan Subdivision in the valley. The majority of those lots are still providing low-income families with homes today either as a rental or as a homeownership unit. We are interested in negotiating a similar agreement for the Pederson Hill Subdivision. However, for this project we plan to develop a mixed income homeownership subdivision. Our request is to develop phase 1B first, and then phase 1C.

THRHA plans to build homes on these lots and sell 50% to low-income tribal citizens and the other 50% will be available to moderate income Juneau residents for purchase. We have successfully executed similar sales outside of Juneau in the smaller communities over the last two years. We will use grant funds to build the low-income homes and provide down payment assistance. We will use other unrestricted funding to build the moderate-income homes.

We have partnered with our mortgage lending subsidiary, Haa Yakaawu Financial Corporation (HYFC) under our Success Starts With Me program to qualify low-income families for mortgage loans. HYFC provides financial education and one on one counseling to these families. As a Community Development Financial Institution (CDFI), HYFC is able to create unique loan packages to meet the needs of each family. The package may include a first and second mortgage, forgivable down payment assistance, extended loan terms, and we have had success offering a sweat equity option. Staff also work with other agencies to qualify the family for additional mortgage assistance. Our target population is 60%-120% MFI.

THRHA's current funding requires an environmental review to be conducted before any ground disturbing activity can begin. We anticipate that the construction of roads and utilities would begin in 2023 for 1B. Construction of the homes would begin in 2024 with the first families moving in during 2025. The development of 1C would begin after the completion of 1B.

THRHA would be the general contractor and has a construction crew that would build the homes. Work such as electrical and plumbing will be subcontracted. Other carpentry work may be subcontracted as well depending on our other projects. Our crews consist mostly of tribal citizens and include those in our apprenticeship program. The homes will be moderate in size, 1200-1400 sqft. We anticipate the purchase price

to be around \$450,000, but as stated above we are usually able to reduce the amount of the mortgage below the purchase price.

Regarding the properties designated as parks/open space, THRHA is interested in keeping them as such, and would look for additional funding to create a park and or playground. We would be interested in working with the CBJ to maintain any parks or playgrounds in the neighborhood.

THRHA is currently working on a HUD grant application to provide funding for this project and will be applying for the CBJ's upcoming CDBG grant for infrastructure.

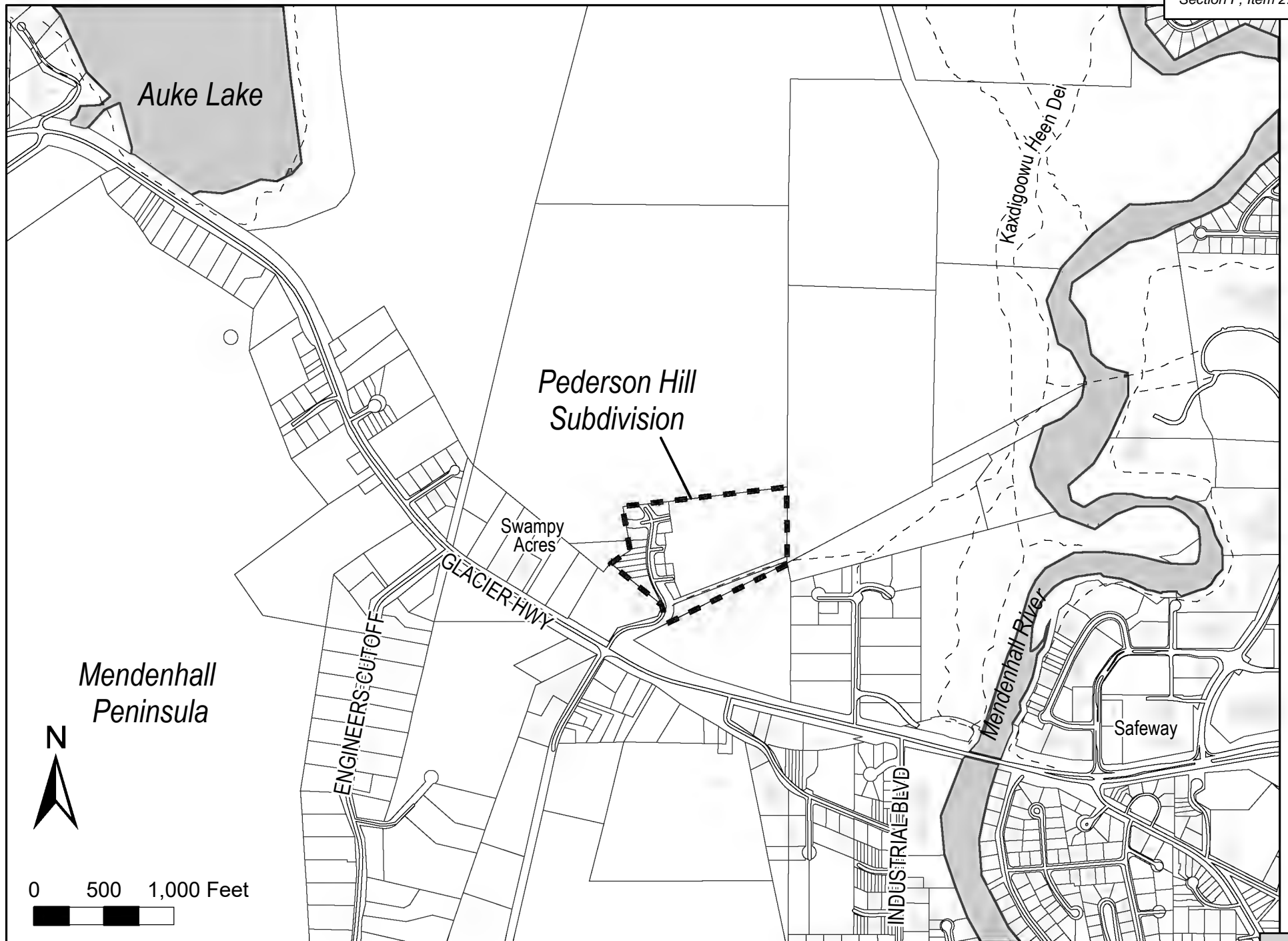
While other contractors are building market rate housing to address Juneau's housing crisis, THRHA can create quality housing opportunities for low-income residents. THRHA is a recognized leader in quality, energy efficient construction. THRHA has achieved 6-star ratings in all 24 homes it has built over the past two years and incorporates features such as energy heel trusses (allowing more attic insulation), EV chargers, heat pumps, hybrid hot water heaters and even heat pump dryers as standard features.

Thank you for considering our request. We look forward to another successful partnership with the CBJ to create more affordable housing in Juneau.

Sincerely,

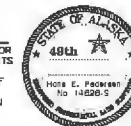


Jacqueline Kus.een Pata
President & CEO



VICINITY MAP
SCALE: N.T.S.
SOURCE: CBU BASEMAP SERIES





REAL ESTATE APPRAISAL

Of
Pederson Hill



Pederson Hill Lot 2B, Juneau
AK, 99801

As of
April 28, 2022

Prepared For
Ms. Roxie Duckworth
City and Borough of Juneau Lands
155 S. Seward St
Juneau, AK, 99801

CBJ Purchase order **114664**

Prepared by
RAMSEY APPRAISAL RESOURCE
Roger Ramsey, AK-APRG570

File Name:
22-016

RAMSEY APPRAISAL RESOURCE

10615 Horizon Drive
Juneau,
AK, 99801

9077232936
Fax:
rogerramsey@mac.com

July 13, 2022

Ms. Roxie Duckworth
City and Borough of Juneau Lands
155 S. Seward St
Juneau, AK 99801

Re: Appraisal Report, Real Estate Appraisal
Pederson Hill
Pederson Hill Lot 2B, Juneau,
AK, 99801

File Name: 22-016

Dear Ms. Duckworth:

At your request, I have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject is piece of raw vacant land approximately 11.5 acres in size. It is zoned D10 SF, which is a unique zoning district, and the only land zoned this way is the land which the city owns and has developed or is developing immediately proximate to the subject. No large tracts of D10 SF land have been sold to private developers.

Please reference page 9 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 7). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- There are no Extraordinary Assumptions for this appraisal.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), I have made the following value conclusion(s):

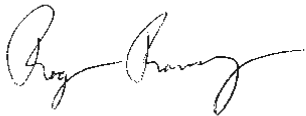
Current As Is Market Value:

The “As Is” market value of the Fee Simple estate of the property, as of April 28, 2022, is

Six Hundred Thirty Five Thousand Dollars (\$635,000)

The market exposure time preceding April 28, 2022 would have been 12 months and the estimated marketing period as of April 28, 2022 is 12 months.

Respectfully submitted,
Ramsey Appraisal Resource



Roger Ramsey
AK-APRG570

MEMORANDUM

CITY/BOROUGH OF JUNEAU

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

TO: Michelle Hale, Chair of the Assembly LHED Committee
FROM: Dan Bleidorn, Lands and Resources Manager *Daniel Bleidorn*
SUBJECT: Telephone Hill Appropriation Ordinance
DATE: August 4, 2022

This ordinance will be introduced to the Assembly at the August 29, 2022 meeting and, if approved, it will appropriate \$100,000 to begin the redevelopment process of Telephone Hill upon conveyance from the State. These funds are needed in order to inventory and survey the property, locate and test for contamination, and to outline the redevelopment process. Starting on planning is in everyone's (including the resident's) best interests. The sooner this process starts, the sooner all parties (CBJ, public, residents) can engage in the planning process, and the sooner all parties can understand the process and ideas that will be presented and proposed.

An additional \$2 million in project funding will be provided by a temporary 1% sales tax, if extended by voters during the October election. This project is #9 on CBJ's FY23 Legislative Priority List.

Staff requests that the Lands, Housing, and Economic Development Committee provide a motion of support for Ordinance 2022-06(b)(K).

Attachment:

1. Ordinance 2022-06(b)(K)

Presented by: The Manager
Introduced: August 22, 2022
Drafted by: Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2022-06(b)(K)

An Ordinance Appropriating \$100,000 to the Manager for the Telephone Hill Redevelopment Capital Improvement Project; Funding Provided by General Funds.

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

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of \$100,000 for the Telephone Hill Redevelopment Capital Improvement Project (D14-098).

Section 3. Source of Funds

General Funds	\$100,000
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Section 4. Effective Date. This ordinance shall become effective upon adoption.

Adopted this _____ day of _____, 2022.

Beth A. Weldon, Mayor

Attest:

Elizabeth A. McEwen, 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: Michelle Hale, Chair of the Assembly LHED Committee
FROM: Dan Bleidorn, Lands and Resources Manager *Daniel Bleidorn*
SUBJECT: Telephone Hill Pending Lease Request
DATE: August 23, 2022

At its August 1st meeting, the Assembly discussed leasing the Telephone Hill properties to its current residents after the properties are conveyed to the City. Based on the discussion regarding a "Soft Landing", the Assembly is interested in leasing these properties after conveyance. To date, neither the Assembly nor the City Manager has received lease applications for these properties.

Conveyance is expected to occur in early November; therefore, if the Assembly and this Committee are interested in leasing upon conveyance, the lease process needs to begin as soon as possible. The Assembly's lease process will take time and, if this process does not begin soon, leases will not be ready for execution upon conveyance.

The purpose of this request is to encourage residents of Telephone Hill to contact the City Manager's Office in order for the City to have a complete list of residents and obtain residents' current contact information. (It has been over fifteen (15) years since the most recent lease with the State expired, and the State's Telephone Hill lease has been month-to-month ever since.)

If this Committee provides a motion in favor of leasing property at Telephone Hill, this request will go to the full Assembly for a motion of support to work with the original proposers, after which the City Manager and City Attorney will draft terms and conditions that will be reviewed by this Committee prior to an ordinance being introduced and set for public hearing at the full Assembly.

Given the uniqueness of this situation, the Assembly could provide a motion of support to work with the original applicants under CBJC 53.09.260(a) with the understanding that the City Manager is expecting lease applications in the next few weeks.

Based on the August 1, 2022 Assembly discussion, this process could move forward with the following general understandings:

1. This section of City code is for fair market value leases.
2. Applications will only be accepted from current residents of the Telephone Hill properties.
3. Completed applications must be received by the City Manager.
4. The Assembly will need to adopt an ordinance for the leases' terms and conditions.
5. Each property will need a lease agreement.
6. All residents wishing to remain after conveyance shall execute leases with the City.

Staff requests that the Lands, Housing, and Economic Development Committee provide a motion of support for leasing property at Telephone Hill as described above and forwarding this to the full Assembly as new business.

Attachment:

1. City Code 53.09.260 - Negotiated sales, leases, and exchanges.

CBJC 53.09.260 - Negotiated sales, leases, and exchanges.

(a) Application, initial review, assembly authority to negotiate. Upon application, approval by the manager, and payment of a \$500.00 fee, a person or business entity may submit a written proposal to lease, purchase, exchange, or otherwise acquire City and Borough land for a specified purpose. The proposal shall be reviewed by the assembly for a determination of whether the proposal should be further considered and, if so, whether by direct negotiation with the original proposer or by competition after an invitation for further proposals. Upon direction of the assembly by motion, the manager may commence negotiations for the lease, sale, exchange, or other disposal of City and Borough land.

MEMORANDUM

CITY/BOROUGH OF JUNEAU

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

TO: Michelle Hale, Chair of the Assembly LHED Committee
FROM: Dan Bleidorn, Lands and Resources Manager *Daniel Bleidorn*
SUBJECT: Land Acquisitions and Disposals 2011-2022
DATE: August 4 2022

In August, the Lands Office received a citizen request for information on the properties that the CBJ has taken off the tax roll by acquisition since 2011. As part of this data collection staff created a spreadsheet of the properties that the CBJ has acquired and the properties that the City has disposed of during this timeframe.

The majority of acquisitions do not result in the loss of tax revenue such as acquisitions from the State (not taxed), land trades (tax neutral) and foreclosures (most are re-sold and are tax neutral). Of the 23 city acquisitions since 2011, there are 4 properties still owned by the CBJ. The estimated total value is \$440,000 based on the cost at the time of acquisition. This amount includes the \$200,000 property BRH acquired and removed from the tax roll, a high-risk floodplain property, a neighborhood park, and a property acquired for the educational home building program.

In the same timeframe, the Assembly has disposed of over 50 properties. Again, there are some tax revenue properties such as land trades, disposals to State agencies and disposals to non-profits that do not pay property taxes. The total sale price for these properties is estimated to be 8.5 million dollars. Based on information from the assessor's database the current value of these properties, which excludes the non-taxed properties, is estimated to be over 12 million dollars.

Total numbers and calculations do not include the numerous land disposals to the Alaska Department of Transportation (ADOT) for Right of Way widening. Over the past 10 years, the ADOT has acquired several small fractions of property along many rights of Way throughout the borough.

Assembly Goals 2022

Assembly Goals set at
December 4, 2021 retreat

1. Housing - Assure adequate and affordable housing for all CBJ residents

AA*	Implementing Actions	Responsibility	Notes:
A	P	Revise and improve Title 49 to facilitate housing	Assembly, Planning Commission, Manager's Office, CDD
B	P/F	Implement projects & strategies that advance the goals of the Housing Action Plan	Assembly, Manager's Office Sold the remaining Pederson Hill lots
C	P/F/O	Continue a robust use of the Affordable Housing Fund and its sustainability	Assembly, Manager's Office
D	P/F	Reduce barriers to downtown housing development	Assembly, Manager's Office, CDD

2. Economic Development - Assure Juneau has a vibrant, diverse local economy

AA*	Implementing Actions	Responsibility	Notes:
A	F/O	Update the Comprehensive Plan	Assembly, Planning Commission, Manager's Office, CDD
B	O	Adopt and implement strategies developed by the Visitor Industry Task Force to mitigate impacts & increase economic benefits of tourism	Assembly, Manager's Office, Docks & Harbors
C	P/F/O	Examine options for a tourism governing structure that mitigates impacts & increases economic benefits of tourism	Assembly, Manager's Office, Docks & Harbors
D	P/F/O/S	Implement project strategy for Juneau Economic Plan, including revitalizing downtown, with regular updates	Assembly, Manager's Office Disposed of CBJ property to Franklin Foods Finalized the former HHW property disposal to AKBrewing
E	F	Explore financing for the Capital Civic Center	Assembly, Manager's Office, Finance
F	P/F/S	Support Eaglecrest Summer Operations Task Force & self-sufficiency of Eaglecrest	Assembly, Manager's Office, Eaglecrest
G	P/F	Pursue and plan for West Douglas and Channel Crossing	Assembly, CDD, Planning Commission, Manager's Office

3. Sustainable Budget and Organization - Assure CBJ is able to deliver services in a cost efficient and effective manner that meets the needs of the community

AA*	Implementing Actions	Responsibility	Notes:
A	P/F	Develop strategy for fund balance and protect restricted budget reserve	Assembly, Manager's Office, Finance
B	P/F	Continue to evaluate sales tax structure including equity and evaluate removing sales tax on food	Assembly, Manager's Office, Finance
C	P	Long term strategic planning for CIPs	Assembly, Manager's Office, EPW
D	P/F	Reduce mil rate as appropriate	Assembly, Manager's Office, Finance
E	F/O	Allocate resources to implement Assembly goals	Assembly, Manager's Office, Finance
F	F/O	Maintain Assembly focus on deferred maintenance including BRH and JSD.	Assembly, Manager's Office, EPW, all operating departments with facilities

*Assembly Action to Move Forward: P = Policy Development, F = Funding, S = Support, O = Operational Issue

Assembly Goals 2022

Assembly Goals set at
December 4, 2021 retreat

4. Community, Wellness, and Public Safety - Juneau is safe and welcoming for all citizens

	AA*	Implementing Actions	Responsibility	Notes:
A	P/O/S	Acknowledge and honor Juneau's indigenous culture, place names, naming policy, and recognize Elizabeth Peratrovich Day	Assembly, Manager's Office	
B	P/S	Explore government to government relations with tribes	Assembly, Manager's Office	
C	P/F/O	Examine social service funding levels and process	Assembly, Manager's Office	

5. Sustainable Community - Juneau will maintain a resilient social, economic, and environmental habitat for existing population and future generations.

	AA*	Implementing Actions	Responsibility	Notes:
A	P/O	Develop a zero waste or waste reduction plan	Assembly, Manager's Office, EPW, Finance	
B	P/O	Develop strategy to measure, track and reduce CBJ energy consumption.	Assembly, Manager's Office, all departments	
C	P/O/F	Implement projects and strategies that advance the goal of reliance on 80% of renewable energy sources by 2045	Assembly, Manager's Office, all departments	
D	P/F	Develop a climate change adaptation plan	Assembly, Manager's Office	
E	P/O/F	Develop strategy to reduce abandoned/junked vehicles	Assembly, Manager's Office, EPW, Law, P&R, D&H	
*Assembly Action to Move Forward: P = Policy Development, F = Funding , S = Support, O = Operational Issue				