

EXHIBIT H-3.

CBJ has attached materials and minutes from the 1-30-2017 Assembly Lands Committee Meeting

**ASSEMBLY STANDING COMMITTEE MINUTES
LANDS AND RESOURCES COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
MINUTES**

January 30, 2017 5:00 PM
City Hall, Assembly Chambers

I. ROLL CALL

Debbie White, Chair, called the meeting to order at 5:03 pm.

Members Present: Chair Debbie White; Assembly members: Mary Becker; Jesse Kiehl; Norton Gregory (telephonic participation)

Liaison Present: Weston Eiler, Docks and Harbors; Paul Volkers, Planning Commission

Staff Present: Greg Chaney, Lands Manager; Rachel Friedlander, Lands and Resources Specialist; Dan Bleidorn, Deputy Lands Manager; Rorie Watt, City Manager; Scott Ciambor, Chief Housing Officer; Rob Steedle, CDD Director

II. APPROVAL OF AGENDA

The agenda was approved.

III. APPROVAL OF MINUTES

A. December 9 2016 Minutes

The minutes were approved as amended.

B. December 12 2016 Minutes

The minutes were approved as amended.

IV. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

There was no public participation on non-agenda items.

V. AGENDA TOPICS

A. Expanding CBJ to Model Borough Boundary

Mr. Chaney addressed the Committee with his January 25, 2017 memo and reviewed the boundary maps provided in the packet.

Mr. Kiehl asked what conversations Mr. Chaney had with Angoon, Kootznoowoo and other groups about the Pack Creek area and Mr. Chaney said he has not had recent discussions with the communities but would be surprised if their feelings in the past would have changed. Mr. Kiehl noted the Mansfield Peninsula and Pack Creek as being locations of higher sensitivity and encouraged Mr. Chaney to speak with neighboring communities. Mr. Chaney replied he would not want to have those conversations without direction from the Assembly. Ms. White agreed with Mr. Kiehl and expressed a potential for conflict of interest due to her office location being inside Kootznoowoo Plaza.

Mr. Kiehl asked Mr. Chaney how he envisions this project going forward and Mr. Chaney replied the first step would be for the Committee of the Whole to address and be favorable to pursuing annexation of neighboring regions. After receiving approval from the COW, Lands staff would then address the neighboring communities about the opinions.

The Lands Committee unanimously approved forwarding this topic to the Committee of the Whole with the recommendation of expanding the borders of CBJ's annexation application to match the areas identified as A, B and D in Figure 3.

Mr. Kiehl then added that discussion at the COW would be most productive if Lands staff begins conversations with the neighboring communities to give feedback to the COW regarding the reactions Lands staff received from those communities. Ms. White agreed with Mr. Kiehl. Mr. Chaney said he would take it up with the City Manager.

PUBLIC PARTICIPATION ON AGENDA ITEM A

There was no public participation on Agenda Item A.

B. Pederson Hill Subdivision Update

Mr. Chaney addressed the Lands Committee on his January 25, 2017 memo, phasing of the project, the price per lot and the potential for Tlingit Haida Regional Housing Authority's (THRHA) partnership on the project. Mr. Chaney then addressed the Lands Committee on the disposal options of the project as outlined in his January 25, 2017 memo and reviewed the next steps and timeline for the project.

Mr. Gregory recused himself from discussion on the topic due to his involvement with THRHA. Mr. Kiehl asked where the creeks and stream setbacks on the plat were, and how close the plat was to reality, and Mr. Chaney replied the only anadromous stream on site is located within the preservation lot, and mentioned there is a conservation lot and park property on the site, as well as a large buffer lot—all being a part of the Army Corps of Engineer's mitigation plan for the site. Mr. Chaney said the additional streams on the site will run along property lines instead of in the middle of the lots. Mr. Chaney also commented that the plat does incorporate setbacks to show each lot is buildable. Mr. Chaney confirmed that every proposed lot is buildable, and that a significant feature of the subdivision is the equestrian trail. DOWL has produced the drainage plan for the site, said Mr. Chaney.

Mr. Volkens asked if the \$3+ million dollar quote (City's portion) covered everything to make the lots buildable and Mr. Chaney confirmed it so. Streets, sidewalks, street lights, fire hydrants, water and sewer stubbed to each property, and the equestrian trail will all be provided for that price, said Mr. Chaney. Mr. Volkens commented he did not understand the relationship between the City and THRHA. Mr. Chaney

replied that the Lands Division is seeking potential project partners, and would be open to anyone, not just THRHA. A partnership makes the project doable, said Mr. Chaney. Mr. Chaney said he wants to wait until the Planning Commission hearing before initiating discussions on partnerships.

Chair White asked what the average lot size was and Mr. Chaney replied 5,000 square feet, which is similar to the downtown Douglas and Casey Shattuck neighborhood layouts. Chair White commented that developing each lot would be \$90,000 and Mr. Chaney replied that price includes an engineer's contingency fee.

Mr. Eiler asked Mr. Chaney to compare Pederson Hill to the Lena subdivision and Mr. Chaney replied the Lena subdivision lots were much larger and had on site waste water disposal, with lots ranging at a third of an acre to an acre in size. For lots in Pederson, they are about a tenth of an acre, with the small lot size intentional for the goal of making home ownership more achievable for Juneau residents, which the private market sector is not providing. Mr. Kiehl commented he will hold his thoughts on the methods of disposal and partnerships with contractors versus housing authorities until the COW.

The Lands Committee unanimously moved that after the Planning Commission decision concerning the Pederson Hill preliminary plat application and City Project Review recommendation are completed, the Lands Committee forwards further discussion concerning the Pederson Hill Subdivision to the Assembly Committee of the Whole.

PUBLIC PARTICIPATION ON AGENDA ITEM B

There was no public participation on Agenda Item B.

C. Ruth Pedersen Application to Acquire City Property

Mr. Chaney addressed the Lands Committee with the memo written by Mr. Bleidorn dated January 24th, 2017.

Ms. Becker asked if the other properties contributed to the widening of the road and Mr. Chaney confirmed it so. Ms. Becker asked if they were given land behind their home and Mr. Chaney deferred to Mr. Bleidorn. Mr. Bleidorn said 504 St. Anns Ave. exchanged property with the City for the widening of St. Anns Ave and 600 St. Anne had an agreement to acquire the backyard property prior to the City's involvement. Ms. Becker asked if residents on 600 St. Anns and 504 St. Anns had to purchase the property in the back, or was it an exchange. Mr. Bleidorn replied 504 St. Anns was an exchange, and 600 St. Anns was purchased prior to the City's involvement. Ms. Becker said it would seem to her that if one lot ended up having the backyard portion deeded to them as a result of giving a portion of the front yard to the City, that 522 St. Anns (Ruth Pedersen's residence) would have also have this occur. Ms. Becker asked why Lands staff did not think this happened. Mr. Bleidorn replied based on the sale documents, the City of Douglas sold the three lots to the

Pedersen family with the condition “except for a 10 foot section of the property for the widening” so the Pedersen’s knew beforehand. Mr. Bleidorn wasn’t sure the City of Douglas would have sold property only to have to buy it back or trade for it a few years later. Ms. Becker said there are two different actions- “we’re going to fix this” and the other is a “sale”-and is confused why that didn’t happen. Mr. Chaney replied all staff can do is look at the written record instead of reconstruct the conversations. Chair White asked if the porch on the property is an encroachment and Mr. Chaney confirmed it so. Chair White doesn’t see the land itself as adding significant value to the home but the encroachment could cause problems when they go to sell the property as far as getting clear title.

Ms. Becker said in her mind, the Pedersen’s should have gotten the property from the very beginning since it looks like everyone else received that property. Ms. Becker asked how much would the piece of land be sold for and Mr. Chaney replied the City would have to find out how much the fair market value would be. Ms. Becker said if they bought the property in the 1960’s versus buying it today, the price would be considerably less and Mr. Chaney confirmed it so. Mr. Chaney said the three lots total sold for \$1,100 in the 1960’s whereas today it would be several thousand.

Mr. Kiehl asked if the lots at 600 St. Anns and 504 St. Anns were sold significantly before 522 St. Anns and Mr. Bleidorn replied they weren’t owned by the City of Douglas so it happened prior to the City land sale. Mr. Bleidorn was not sure how many years prior the purchase happened.

Ms. Becker said that property that they did or did not purchase would have been a lot cheaper to purchase and clearing it up now almost has to be done because of the encroachment, which seems unfair to her.

Mr. Kiehl said on the other side of 600 St. Anns Ave. does not go as far back as 504 and 600 St. Anns Ave. and asked if the Assembly would see the same request made at 600 St. Anns Ave. Mr. Chaney replied the reason why this issue has come before the Committee is because there is a clear recollection by the purchaser that they were going to get that property, and emphasized he had no idea what other arrangements were made between other property owners and the City.

The Lands Committee then invited Ruth Pedersen’s daughter Annetta Pedersen and former CBJ Mayor Merrill Sanford to speak.

PUBLIC PARTICIPATION ON AGENDA ITEM C

Ms. Annetta Pedersen let the Committee know they have approached the City on several occasions to figure out what to do about the outstanding property in the backyard. Ms. Annetta Pedersen said 522 St. Anns was probably the first home built in this area, and believes this was the first parcel that was sold prior to the City realizing that St. Anns would need to be widened so there was never an occasion for the City to reserve 10 feet on the plat, or for it to be surveyed. Ms. Pedersen went

on to discuss other homeowners' properties on St. Anns. Merrill Sanford then assisted the Pedersen family in discussing how land arrangements were conducted in the 1960's for the community of Douglas.

Mr. Kiehl asked if Lands staff has consulted CBJ Law if the recommendation of crediting the \$500 application fee and surveying costs towards the purchase of the property is sound and Mr. Chaney replied he did not check because there are other options and he wanted to know what terms the Committee would recommend to the Assembly. Mr. Kiehl asked that before this comes before the Assembly that staff consult CBJ Law first.

The Lands Committee unanimously forwarded a motion of support to the Assembly for a fair market value sale of City property along the rear of 522 Saint Anns Avenue so that the rear property line matches the adjacent lots. As a gesture of good will, the applicant's \$500 application fee and surveying costs could be credited toward the purchase of this property.

Ms. Becker asked if the owners decided not to purchase the property, would the City repay the application fee and Chair White said that is a discussion for the Assembly, along with the property's encroachment issue. Ms. Pedersen emphasized that the property has not exchanged hands so this has not come up prior to this discussion.

D. Petersburg Borough Legislation

City Manager Watt briefly addressed the Lands Committee with his memo dated January 25th, 2017 supporting the new Petersburg Borough's application selection of State Land within their new boundaries.

The Lands Committee unanimously forwarded a motion that, as a gesture of support to our neighbor, recommends that the Assembly pass a Resolution in support of the legislation.

PUBLIC PARTICIPATION ON AGENDA ITEM D

There was no public participation on Agenda Item D.

VI. STAFF REPORTS

There were no staff reports.

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

There were no committee member or liaison comments or questions.

VIII. ADJOURNMENT

The meeting was adjourned at 6:05pm.

**ASSEMBLY STANDING COMMITTEE
LANDS AND RESOURCES COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA**
January 30, 2017, 5:00 PM.
Municipal Building Assembly Chambers

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

- A. December 9 2016 Minutes
- B. December 12 2016 Minutes

IV. PUBLIC PARTICIPATION

(Not to exceed a total of 10 minutes nor more than 2 minutes for any individual).

V. AGENDA TOPICS

- A. Expanding CBJ to Model Borough Boundary
- B. Pederson Hill Subdivision Update
- C. Ruth Pedersen application to acquire City Property
- D. Petersburg Borough Legislation

VI. STAFF REPORTS

VII. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

VIII. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office
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Fax (907) 586-5385

TO: The Lands Committee**FROM:** Greg Chaney, Lands and Resources Manager**SUBJECT:** Expanding CBJ to Model Borough Boundary**DATE:** January 25, 2017

On February 22 2016 the Assembly Committee of the Whole reviewed the option of incorporating additional areas into the Juneau Borough. After weighing various courses of action, the Committee voted to pursue annexing the unclaimed area between the southern Juneau border and the new northern edge of the Petersburg Borough. During the December 3 2016 Assembly Retreat the issue was discussed again. It was decided to take the issue back to the Lands Committee for further discussion because annexation applications are substantial undertakings, there is efficiency in bundling more than one area in an application, and the first applicant tends to have a significant advantage in the process.

However Model Borough Boundaries are only a guiding concept and are not a clear indicator of where future borders between boroughs will be delineated.

Figure 1 provides a regional perspective and shows existing boroughs in Southeast Alaska. In 2003 the State of Alaska Local Boundary Commission established Model Boroughs for areas of the state that were in the unorganized borough. The Boundary Commission delineated areas neighboring the City and Borough of Juneau (CBJ) that were proposed to be incorporated into a future expanded Juneau Borough.

Figure 2 shows model borough boundaries in near Juneau. The primary feature of this map is that it shows adjacent boroughs that could potentially annex unincorporated portions of Admiralty Island as well as Horse and Colt Islands. Mansfield Peninsula region is across Lynn Canal from the Haines Borough and even if Admiralty Island is not within the Haines Model Borough, since it is adjacent, Haines could apply to annex portions of the island. The Glacier Bay Model Borough has not been created yet however it is conceivable that northern Admiralty could be included in its incorporation application. Another potential applicant to annex northern Admiralty Island could be the Chatham Model Borough. Angoon is the primary community on Admiralty Island and has expressed interest in the past of including

the northern part of Admiralty within the Chatham Borough if it was created. So, even though it might seem unlikely that another borough would claim the northern section of Admiralty as well as Horse and Colt Islands, it seemed just as improbable that the new Petersburg Borough would extend so far into Juneau's designated model borough territory.

Given that other jurisdictions might claim areas within the Juneau Model Borough Boundary, it seems prudent to review options for applying to fill out the unincorporated portions of Juneau's Model Borough. Figure 3 shows areas outside of incorporated Juneau Borough that could potentially be considered for annexation:

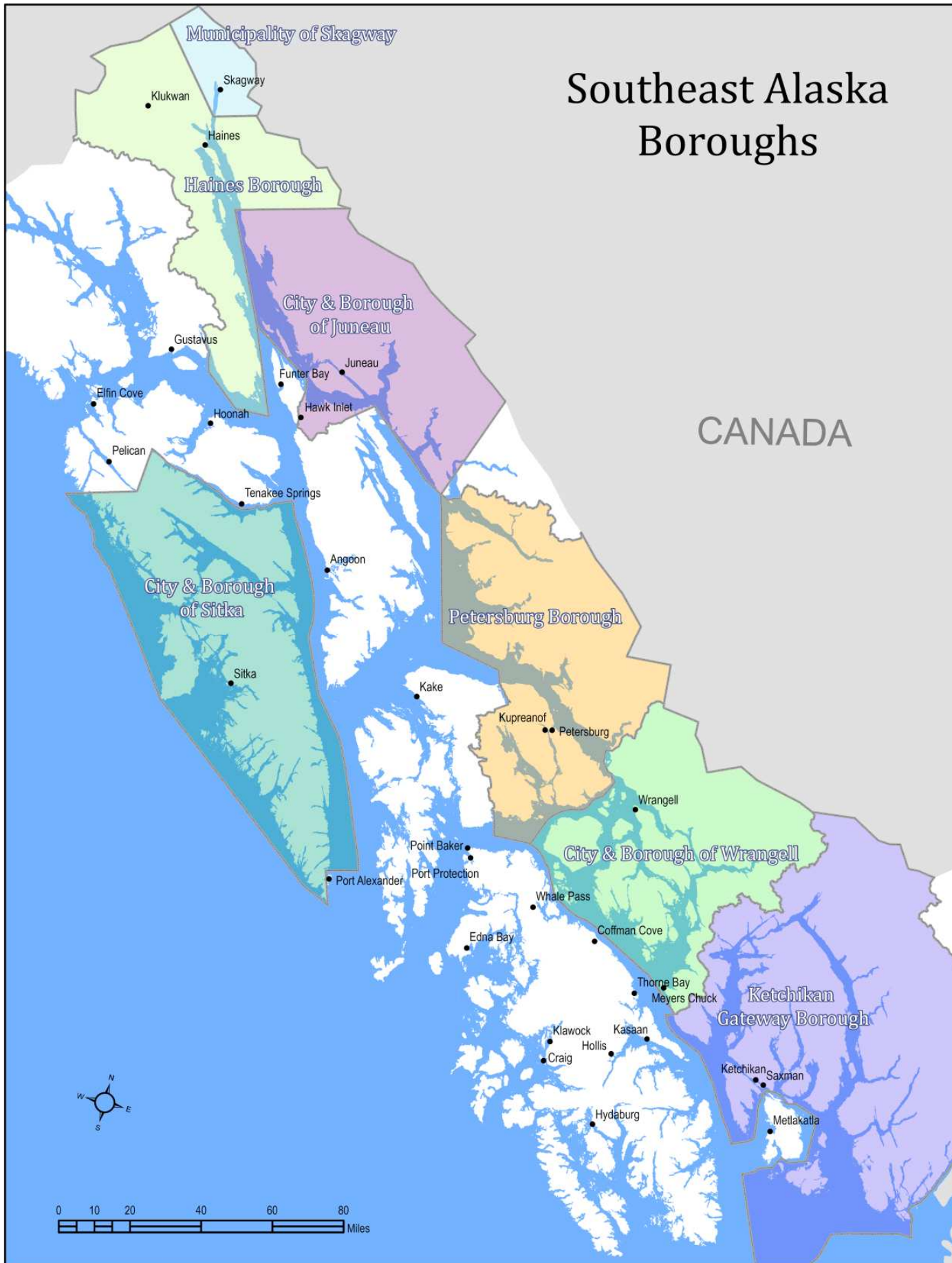
- A. This triangular region is between the new northern boundary of the Petersburg Borough and Juneau's southern boundary. Since this area was not included in the Petersburg Borough, Juneau seems like the only other credible candidate to incorporate this region. In the near future, annexation of this region is mostly symbolic since there are no local residents or private properties. In the long run mineral development or tourism could generate economic activity in this region. At the February 22 2016 Committee of the Whole, the Committee adopted a motion to continue to pursue annexing this region.
- B. Pack Creek, Oliver's Inlet and the Glass Peninsula are areas where Juneau based tours, commercial fishing, guided hunts and recreational activities are common. It seems that since this region has a strong connection to Juneau, that it should be incorporated in the Juneau Borough. The shaded area identified with the letter "B" is mostly contained within the Juneau Model Borough Boundary. The exception to this is the area around Pack Creek. Pack Creek is a very popular area for viewing bears and visitation to this area is managed by the USFS based in Juneau. The shaded area within the Chatham Model Borough includes the drainage area of Pack Creek and then follows the watershed of Seymour Canal north to the existing Juneau Borough boundary.
- C. Similar to the logic in B above, the western shore of a portion of our model boundary appears to have a nexus with a future Chatham Borough. By pursuing area B and not area C, Juneau would acquire approximately the same area into CBJ, but would acquire a boundary that better follows economic and cultural activities of the future Chatham and current CBJ. If the Chatham Borough is not formed, this issue could be revisited in the future.
- D. As discussed above, there are three adjacent boroughs that could potentially claim the northern portion of Admiralty Island as well as Horse and Cold Islands. This area is potentially the most contentious area to incorporate since it includes many private properties, some permanent residents and some business activity. It would also be very attractive to other boroughs for the same reasons. The *2007 Juneau Annexation Study Commission* concluded for remote areas, "*The Commission believes that a careful balance must be struck between rates of property taxation and levels of service delivery as annexation is considered.*" The Commission also stated, "*The perceived*

disparity between the areawide mill rate and the corollary lack of services is at the “nut” of opposition to annexation. (Even property owners on the Taku River and on Shelter Island have issues with the areawide property tax rate, stating that they do not receive commensurate services from the borough.)”

Considering that the Petersburg Borough was successful in incorporating a significant amount of land within Juneau’s Model Borough, now is an appropriate time for the Lands Committee to discuss which areas the CBJ should be included in Juneau’s application to the Local Boundary Commission. As explained above, staff recommends that the annexation application include the areas identified as A, B and D in Figure 3.

Staff recommends the Lands Committee adopt the following motion:

The Lands Committee forwards this topic to the Committee of the Whole with the recommendation of expanding the borders of CBJ’s annexation application to match the areas identified as A, B and D in Figure 3.



Southeast Alaska Boroughs

CANADA

Figure 1. Regional Map of Southeast Alaska.

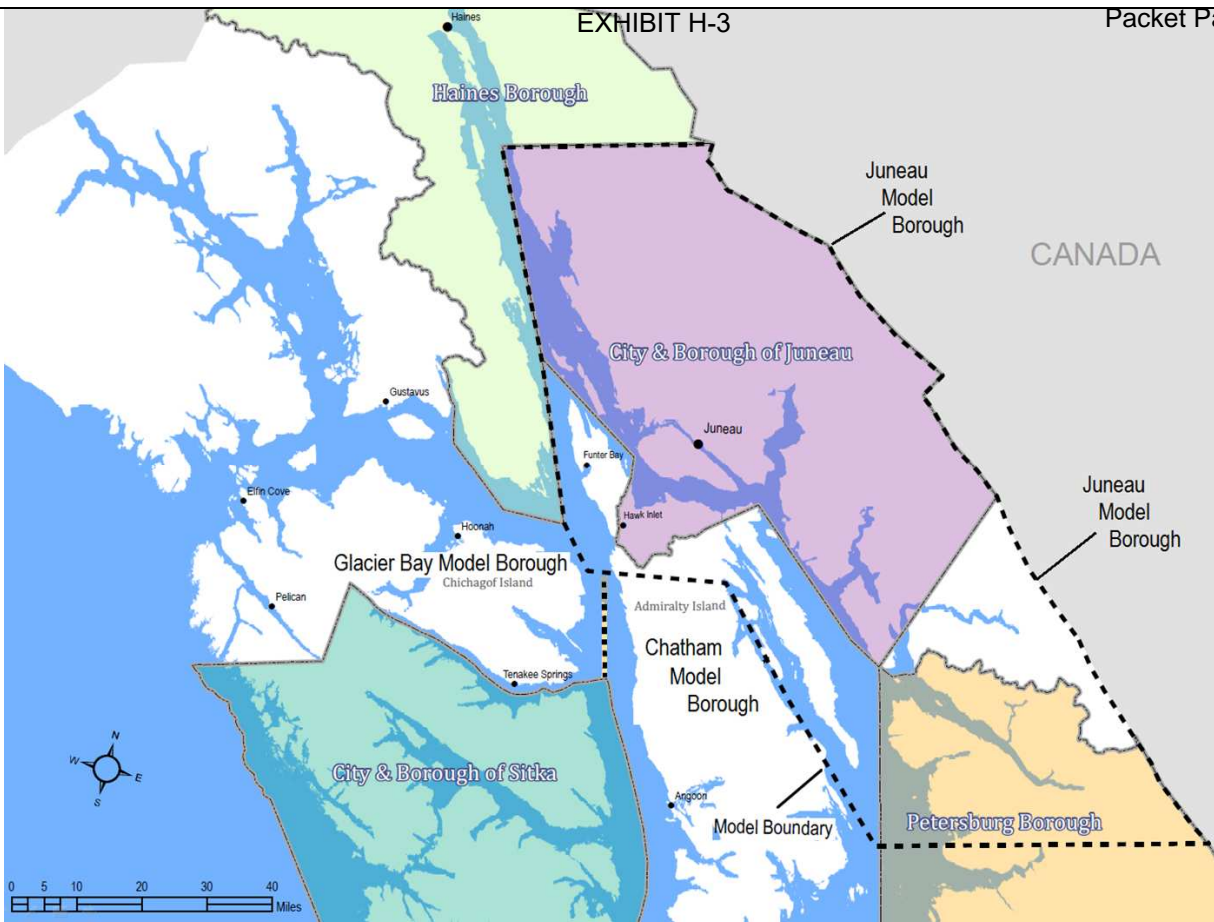


Figure 2. Boroughs adjacent to Juneau.

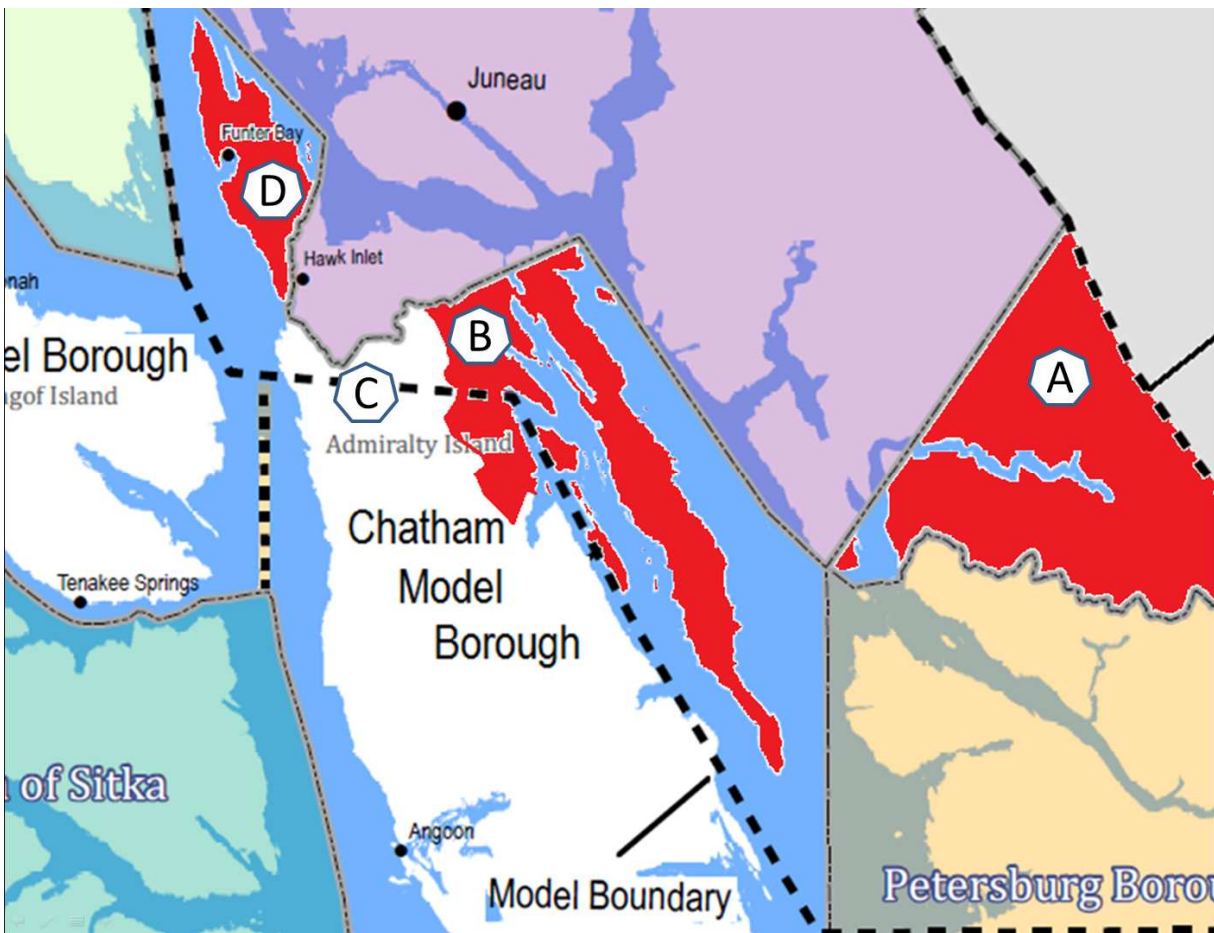


Figure 3. Recommendations for areas to include in Juneau’s borough annexation application.



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

TO: Debbie White, Chair of Assembly Lands Committee

DATE: January 25, 2017

FROM: Rorie Watt, P.E., City Manager 

RE: Petersburg Borough Legislation

Legislation has been introduced that would allow the new Petersburg Borough to select state lands for their Borough. The bill can be found here:

<http://www.akleg.gov/PDF/30/Bills/SB0028A.PDF>

All Boroughs share the same goal of having as much local control as possible over their jurisdiction. We should support this legislation.

Recommendation:

As a gesture of support to our neighbor, I recommend that the Land's Committee request that the Assembly pass a Resolution in support of the legislation.