



**Blueprint Downtown Steering Committee Meeting Agenda
CBJ Assembly Chambers**

March 12, 2020, 6:00 p.m.

Steering Committee Members Present:

Christine Woll, Chair (telephonic)
Karena Perry, Vice Chair
Betsy Brenneman
Jill Ramiel
Daniel Glidmann

Laura Martinson
Patty Ware
Tahlia Gerger
Iris Matthews (telephonic)

Steering Committee Members Absent:

Ricardo Worl, Kirby Day, Michael Heumann, Nathaniel Dye

Staff:

Beth McKibben, Senior Planner
Alexandra Pierce, Planning Manager
Scott Ciambor, Chief Housing Officer

Assembly Members:

None

I. Roll Call

The meeting was called to order at 6:07 p.m. by Vice Chair Perry.

II. Approval of Minutes

a. February 20, 2020 DRAFT minutes, Blueprint Downtown Steering Committee Meeting

MOTION: By Ms. Brenneman to approve the February 20, 2020 minutes. Ms. Ware seconded.

The motion passed with no objection.

III. Public Participation – None.

IV. Steering Committee Updates

Ms. McKibben reported that staff presented an update on the Blueprint Downtown area plan to the Downtown Business Association the previous Tuesday, on March 10, 2020.

V. Upstairs Downtown Presentation – Scott Ciambor

Mr. Ciambor presented some background information on the Upstairs Downtown project. He highlighted some of the challenges and opportunities presented by the study area that will be used to help guide future discussions.

Mr. Ciambor stated that downtown housing has been a priority topic of discussion in Juneau for an extended period. The need for more housing has been addressed in many previous studies, and Blueprint Downtown is no exception. He presented a story map that staff had put together for the study area with a specific focus on housing. Staff worked on the project for about a year, he reported. They came to the project with a series of questions they wished to address: What are the residential unit and population statistics within the study area? Are the property owners local? What are the building uses and characteristics within the study area? What are the regulatory considerations for development? They were able to take this information and create a story map.

Mr. Ciambor said that the data was compiled from a wide array of sources, including U.S. census data, the assessor's database, and the historic register, and mapped using ArcGIS software.

Ms. Woll began participating telephonically at 6:17 p.m.

Mr. Ciambor outlined the study area, which covers a swathe of downtown from Fourth Street down South Franklin Street towards the end of the cruise ship docks. The study area does not include Gastineau Avenue. Mr. Ciambor stated that the Marine View apartments and MacKinnon apartments are the densest in terms of inhabitants; there are other dwelling units scattered throughout the downtown core. He explained that the Mendenhall Apartments are outside the study area.

Mr. Ciambor called the Steering Committee's attention to the map layer showing short-term rentals. He explained that this is an umbrella term for units registered as Airbnb or VRBO, as well as employer-owned or employer-assisted housing. He stated that employer-owned/assisted housing is difficult to attain exact data for because those units are not required to be registered with the City and Borough of Juneau.

Ms. Brenneman asked what the numbers on each pin in the map layer represented.

Mr. Ciambor explained that the numbers represent the number of units in the property. He stated that some property owners with short-term rentals will lease out their properties for only 7 or 8 months during the off-season, and then transition to renting it out via Airbnb or VRBO for the summer months.

He summarized the demographics of Upstairs Downtown, saying that the study area has 181 units within 33 buildings in addition to a 32-bed group quarters facility; 11 units are currently used as short-term rentals. He stated that there is more workforce housing downtown than in the rest of the city.

Ms. Ware asked if employer-provided housing was not required to be registered with the City and Borough of Juneau.

Mr. Ciambor replied that it is not. He stated that it's been considered before for a few different reasons: to gather housing data, to better understand the housing situation in Juneau, and to provide incentives to people who do register. It has not yet been implemented, however.

Mr. Ciambor focused on the Marine View building, saying that there are 66 units as well as three floors that are used for office and business space.

Ms. Ramiel asked if the dwelling units in the Upstairs Downtown study area are "findable." She suggested creating a neighborhood association for the area and asked how she might contact the people in those units.

Mr. Ciambor replied that the map shows where each unit is located.

Ms. Ramiel asked how she could find the names of the people who lived there.

Ms. Martinson interjected, saying that someone had slipped information on a neighborhood association under her door and suggested something similar.

Mr. Ciambor stated that the ArcGIS Parcel Viewer could be used to find the owners of each property. He said that the takeaway of the demographics data is that there are comparatively few units in the study area. It breaks down to about 1.8 person per household.

Ms. McKibben asked if all of the mapped units are active.

Mr. Ciambor replied that yes, they are.

Ms. Martinson asked how they could find out which units are rented and which are not.

Mr. Ciambor said that it would be difficult to ascertain that information since many rented units are not registered with the City and Borough of Juneau. He stated that many members of the community have expressed a desire to require the units that are only rented out during the summer months to be available for rental during the rest of the year. He said that this would be a labor-intensive problem to take on.

Ms. McKibben asked if the study identified the number of units that are not legally habitable.

Mr. Ciambor said that it did not, but that this could be an area for follow-up. He stated that the original intention for the survey was to gain better information on number and types of housing currently present. A follow-up on the study would survey property owners on existing barriers to improvement, and incentives to help remove those barriers.

Ms. Ware asked for the definition of "unit."

Staff replied that a unit must have access to cooking, sleeping, and bathroom facilities.

Ms. Ramiel asked why Gastineau Avenue was not included in the Upstairs Downtown study area.

Mr. Ciambor said that the study area started out even smaller than it ended up being, and was extended down South Franklin Street. He stated that there are some regulatory concerns regarding Gastineau Avenue that would have interfered with the study.

Ms. Perry asked if there was any way to know if the employer-owner units are substandard.

Mr. Ciambor replied that each unit would have to meet building code before a Certificate of Occupancy is issued.

Ms. Pierce stated that, while that is true, they wouldn't necessarily know how they're rented or used after the fact.

Ms. Brenneman asked what some of the downsides or difficulties would be if the Steering Committee recommended registering units as part of the Blueprint Downtown document.

Mr. Ciambor explained that the Housing Action Plan is a suite of 66 different strategies to improve the housing situation in Juneau, which the Assembly uses to identify priorities. This plan included a recommendation to register rental units. Currently, registering units has not been identified as a priority. He said that one of the reasons that the Housing Action Plan was controversial is that many property owners expressed that they didn't want interference from the government.

Ms. Brenneman asked if registering units could be made a requirement for attaining a Certificate of Occupancy.

Ms. McKibben stated that the Steering Committee could make that a recommendation, but that there are other ways to attain the data they're looking for, such as with sales tax information. She stated another way could be through business licenses. That would be a large undertaking with many issues.

Ms. Pierce said that one positive thing about the Blueprint Downtown process is that they are able to emphasize recommendations from past planning efforts and carry them forward. By carrying forward those recommendations, there is the possibility of creating more political will.

Mr. Ciambor directed the Steering Committee towards the next portion of his presentation, which focused on whether property owners in the study area are local. There is a common public perception that many of the buildings are owned by people who live outside of Juneau. In fact, 79% of the properties within the study area are locally owned. There is relatively little public property, with 83% of the properties under private ownership. He stated that private owners will need to be convinced to include housing on their properties; more study is needed to ascertain the appropriate incentives to overcome the barriers.

Mr. Ciambor stated that, since there is a lack of housing opportunity and older housing stock, significant investment would be needed to create more housing for the next generation. He said that there hasn't been much recent development in the study area, and most of what has been developed is in the southern-most part of South Franklin Street.

Ms. Ware asked if newer buildings were more likely to have occupied units. She pondered why a property owner wouldn't want to have their building occupied, and asked if it was because older buildings typically require more work to meet building code for occupancy.

Mr. Ciambor stated that, typically, older families, who own downtown properties, don't want to invest in upgrades, and newer owners don't have the capital to do so. Some people also object to the idea of being landlords. He said, regarding building uses, that about half are used for business and a quarter are mixed-use. Mr. Ciambor reported that 39 of the buildings in the study are historic, which makes them eligible for federal tax credits related to being a part of the historic district.

Mr. Ciambor said that there are regulatory considerations for the downtown area. Gastineau Avenue wasn't included in the study area because it's in an avalanche zone. This is a major barrier to development.

Ms. McKibben explained that there are zoning restrictions in a high hazard area.

Mr. Ciambor said that preserving existing development along Gastineau Avenue is a higher priority than developing it.

Ms. Brenneman noted that the story map includes only a narrow slice of the Blueprint Downtown study area.

Mr. Ciambor explained that the Housing Action Plan recommends that the community must remove as many barriers towards housing development as possible. Avalanche, slide and flood zones are barriers to development. There are current projects working to update those maps which may change the number of properties impacted by these challenges. Parking requirements are also considered a barrier to development.

Mr. Ciambor summarized the presentation thus far by saying that there isn't much housing and that the area is a business district. What housing does exist is primarily workforce housing, and no new housing has been developed since 2017. The age and condition of the buildings is both a barrier and a benefit: they are expensive to rehabilitate or convert to housing, but there are many opportunities to receive historic tax credits. The majority of the buildings are locally owned, but the barriers to development are substantial, including the previously mentioned hazard zones, the proliferation of short term rentals, and the presence of a high number of homeless people.

Mr. Ciambor said that a discussion of downtown tax abatement may include a wider area than the Upstairs Downtown study area. He stated that there is a million dollars in the affordable

housing fund, and that the City and Borough of Juneau Assembly is considering allocating half million dollars for developers to create housing. He mentioned that this housing would not necessarily be developed downtown.

Ms. McKibben said that when staff gave a presentation to the Assembly, Mr. Ciambor had mentioned a calculation for the fee in lieu costs for a development previously proposed for downtown.

Mr. Ciambor said that a company called Eagle Rock Ventures had wanted to buy property in the Upstairs Downtown study area and turn it into workforce housing. They used a model that they had replicated in other cities, which had smaller units with shared kitchens and a management office underneath the units. The model had four levels with 80 units, and seven parking spots. The company couldn't meet the high costs of construction because, in order to make up for the fee-in-lieu costs, they would have to charge too much per unit than the market could support for the targeted workforce housing.

Mr. Glidmann said that the reason that they failed was that their business plan was flawed. They were going after the wrong market.

Ms. McKibben said that proposal could illustrate the barriers to developing housing.

Mr. Ciambor said that Eagle Rock Ventures did look at turning the property into low income housing with a mix of units and including tax credits, but even then they couldn't meet the costs of construction.

Ms. Ramiel suggested putting a plan together for what the city wants done with a particular property and then try to find a developer willing to work on the project.

Mr. Ciambor said that this is what the city did for the senior assisted living project at Vintage Park. The Assembly purchased the land so they could hold a competitive bid process.

Ms. Ramiel said the city has opened up land all over Juneau for development despite the perception that people generally prefer to live downtown. She said that there has been no development downtown since the adoption of the Housing Action Plan. She asked why the Steering Committee can't be aggressive about advocating for downtown housing.

Mr. Ciambor stated that the Steering Committee has license to make whatever recommendations they want. He said that plenty of plans identify housing as a priority.

Mr. Glidmann asked if anyone had ever done a sidewalk survey of people who live downtown to see how they would feel about properties being built with parking as an exclusion to the development.

Mr. Ciambor stated that he knew of no such studies.

Mr. Glidmann stated that he personally didn't want to see any development without parking requirements.

Mr. Ciambor said the largest revelation from the study, for him, was how little housing there is downtown. There are only 375 people to survey within the study area, which translates to a low level of occupancy.

Mr. Glidmann emphasized the importance of conducting a survey of what downtown residents would think about development with no parking requirement.

Ms. McKibben suggested adding a recommendation for a survey to the Parking or Housing chapter.

Ms. Ware said that, had the Eagle Rock Ventures project been successful, the influx of working age people would have added to the vibrancy that they're wanting to foster downtown.

Ms. Ramiel agreed, saying that they need to be careful about being short-sighted when it comes to parking.

Ms. Brenneman lamented not having control over the situation at the southernmost end of South Franklin Street because the property owners all live out of town.

Ms. Martinson reminded her that the Upstairs Downtown survey found that most of the property owners in the survey area are locals.

Ms. Brenneman expressed concern that the area is mostly empty in the winter.

Mr. Ciambor stated that there are opportunities for development throughout the downtown core. He reported that multiple developers have asked how they can create more housing.

Ms. Ware asked if parking is the issue.

Mr. Glidmann said that the issue is the cost of purchasing a property and rehabilitating it.

Ms. Ware asked what kind of incentives would help.

Mr. Glidmann suggested a loan from the city, as an example of an incentive.

Ms. Ware said that the primary goal for improving the downtown area is housing, with vitality as a close second. She said that they needed to encourage developers.

Ms. McKibben stated that housing is economic development, and Juneau needs additional housing for a strong economy. Providing housing downtown creates the vibrancy that the Steering Committee is seeking. She said that the Housing Action Plan lists many ways to create funding mechanisms. The plan stated that if Juneau wants more housing, the city needs to invest resources. She noted that the city has already started doing so by hiring Mr. Ciambor as

the Chief Housing Officer, since his job is focused on improving the housing situation in Juneau. She stated the HAP recommends investing a money in areas where the infrastructure for streets, sewer, and water are already in place which could reduce the cost of housing development.

Ms. Pierce stated that, from a project-planning document perspective, housing and economic development are interlinked. They may need to spend some time parsing between the two subjects and deciding what is included in each chapter.

Ms. McKibben said that staff would be working on the housing chapter soon. She said that the types of housing that they want in the downtown area is most likely different than the types of housing that would be appropriate for other areas of Juneau, and that each subarea of downtown would likely differ as well.

Ms. Martinson expressed appreciation for Ms. Ramiel's comments about making recommendations based on a long-term vision for the downtown area. She suggested returning to the vision statement. She asked what the Steering Committee could recommend for housing that would make it less car-centric downtown. She said that perhaps it would involve recommending more services in the area so that people who live downtown don't feel the need to go to Fred Meyer, for example.

Ms. Glidmann said that Juneau is going through economic problems with the rise of COVID-19. He stated that the federal administration has talked about compensation for bailing out industries such as the airlines and cruise lines. He asked if Juneau's municipality is fluid enough to do something similar for our community.

Mr. Ciambor stated that those were questions for the Finance Director and the City Manager. He reported that the CBJ Assembly is receiving updates before every meeting, and that they have already received the financial analysis of the best and worst case scenarios.

Ms. McKibben asked Mr. Ciambor to explain a blighted property ordinance.

Mr. Ciambor said that last year the Juneau Police Department worked with the Assembly on a chronic nuisance ordinance, which was targeted at properties exhibiting negative behaviors that are the focus of reoccurring police calls. This ordinance blended with the idea of blighted properties, which have a lot of cars that aren't running and which aren't maintained. Since there are lots of overlap between the two types of properties, CBJ intends to see if the chronic nuisance ordinance is enough to remedy the issue of blighted properties without creating a separate blighted properties ordinance.

Ms. Brenneman asked if the lot across from the Mendenhall Towers that could be considered a blighted property.

Mr. Ciambor said that it depends on the language that ends up in the ordinance. He reported that there were plans for that lot, but that cost have proven to be an issue.

Ms. Ramiel said that she had attended a presentation that has talked about the ability of the city to tax a property on what the perceived best use for that property is.

Ms. McKibben asked if she meant was tax increment financing.

Mr. Glidmann objected to the idea, saying that if the cost of building is prohibitive, it's difficult to tell private citizens what to do with their properties.

Ms. Ramiel stated that she believed that what is good for downtown is good for the community at large. She said there could be special exceptions, and that an attractive downtown will attract people to live in Juneau.

Mr. Ciambor stated that now is the time to be having those conversations. The economic realities of developing housing in Juneau is that it's cost prohibitive. He reported that investment in housing stopped in the mid-1990s and did not pick up again until 2010.

Ms. Ramiel wondered if the Marine View, Gastineau, and Mendenhall Apartments had been built with funds from the U.S. Department of Housing and Urban Development.

Mr. Glidmann stated that it is a good time to talk about incentivizing. Regarding the Upstairs Downtown study, he recommended expanding the study boundaries or providing more explanation for the boundaries.

Mr. Ciambor stated that he would love to expand the study but that, unfortunately, it's very staff-intensive.

VI. Draft Chapter 4: Economic Development

Ms. McKibben asked the Steering Committee for their feedback and to continue the discussions they began at the last meeting. She said that many of the concepts in the Economic Development chapter are the same concepts outlined in CPTED (Crime Prevention Through Environmental Design) for vibrant place-making. She said that having action items that relate to many different parts of the plan creates consistency.

Ms. McKibben said that she is happy to see how much of the Housing Action Plan has already been implemented, and that this is because CBJ hired Mr. Ciambor to ensure that it happened. Unfortunately, CBJ doesn't have the ability to hire someone to implement each plan.

She said in her research she discovered that smaller communities focus on an 18-hour downtown rather than a 24-hour downtown, which may be more realistic for Juneau's downtown.

Ms. Brenneman provided feedback regarding several organizational aspects of the chapter. She said that it would be helpful to see which past plans have not been adopted at the front of the chapter rather than having them buried in the text.

Ms. Pierce said that when plans aren't adopted by the Assembly, they're not used except for referencing in "deep dives" such as staff have done during the Blueprint Downtown process. She used the resolution adopted instead of the Tourism Management Plan as an example, where an adopted plan would have carried more weight than the resolution, and would have been used in staff reports to the planning commission and as a basis for decisions.

Ms. McKibben said that, for example, only chapter 4 of the Willoughby Plan was adopted. Sometimes pieces of plans aren't considered or don't carry as much weight.

Ms. Brenneman said that perhaps they could include an explanation on what it means when a plan is or isn't adopted in one of the sections that references past plans.

Ms. McKibben said that it might not be that important to the average reader, but it is important to planners. She said that staff can work on making it less confusing.

Ms. Pierce said that it matters more in terms of ensuring conformity with adopted plans for Assembly and Planning Commission decisions than in terms of informing the planning efforts.

Ms. Brenneman asked why civic buildings were included in the Economic Development chapter.

Ms. McKibben said that they're a part of a thriving downtown in Juneau.

Ms. Brenneman suggested including tribal government under the discussion related to the fact that Juneau is the capital city. She made several more organizational suggestions, and noted the need for more incentives in the section related to housing as economic development.

Ms. Ramiel said that she doesn't think the State of Alaska is a good downtown neighbor, as their buildings are often ill-maintained. She suggested having a conversation with someone at the State about it. She also said that she would like to expand on the section regarding attractive downtown scenery by including cleaning recommendations, prioritizing pedestrian sidewalks and crosswalks, adding lighting, and by creating seamless maneuverability for pedestrians from the downtown core to the Willoughby district. She expressed distaste for the window coverings of the marijuana shops.

Ms. McKibben said, in regards to the window coverings of the marijuana shops, that they have to comply with state law.

Ms. Martinson recommended being more specific about what types of businesses they want to see in Juneau in the sections talking about business vitality and promotion.

Ms. McKibben said that one of the challenges small communities face is the lack of capacity for many types of businesses. She asked what the Steering Committee would like to see, and if they thought they should recommend more study on the issue.

Ms. Martinson suggested that they make more specific recommendations, such as a shoe repair shop, a butcher, a dry cleaner, etc.

Ms. McKibben stated that she wasn't sure if they had the knowledge to make that assessment.

Mr. Glidmann provided an example of a past plan to turn a building downtown into an IT development business with a floor of residential space. The business plan didn't end up working out, but he said he liked the idea of redeveloping old buildings in similar manners. He said he is concerned about limiting economic vitality by not offering alternatives and financial incentives to businesses other than those related to tourism.

Ms. Brenneman asked if Mr. Glidmann was talking about incentivizing business development as well as housing development, to which Mr. Glidmann said that he was.

Ms. Martinson emphasized the importance of market analysis because it allows them to see what Juneau can sustain.

Ms. Pierce suggested thinking about what a market analysis would look like, as well as what types of incentives to consider and what types of businesses might work downtown.

Ms. Ramiel said that none of them are going to work if there isn't more housing.

Mr. Glidmann disagreed.

Ms. McKibben asked what they thought the real and perceived barriers are. They had already identified parking as an issue; perhaps rents are also a problem.

Mr. Glidmann said rents have gone up to what he believes to be a reasonable amount. He stated that cost is not the exclusive factor.

Ms. McKibben said that they need to figure out what the factors are. Education, if that is part of the problem, is an easy fix, but other factors might not be.

Ms. Martinson suggested tax abatement as a possible incentive to allow property owners to charge less rent once they receive a cut in property taxes.

Ms. McKibben emphasized the need for knowledge regarding legal parameters before making the recommendation. She also noted the need for political appetite.

Ms. Ramiel asked if the section on economic vitality is a good place to advocate for a capital campus above the Downtown Transportation Center.

Ms. McKibben said that past plans have talked about building a capital campus and that unfortunately it doesn't seem feasible at the moment, even within the 20-year planning timeframe for the Blueprint Downtown area plan. She suggested thinking of other ways to maintain the capital.

Ms. Ramiel clarified that she meant relocating City Hall to the top of the Downtown Transportation Center, not a capital campus. She recommended putting that in the Economic Development chapter.

Ms. McKibben said that when they do talk about the capital, she doesn't think it's possible to attain a unified architectural style between City and State buildings, which is recommended in the Capital Vision document but that they can talk with the State about maintaining their buildings better.

Ms. Brenneman said that something better could be done in regard to streetscape in the capital campus. She also said that there is an issue with transportation at the airport, in regard to visitors being able to secure transportation from the airport to downtown. She said that it creates a negative first impression of the capital city when people can't get a taxi from the airport to downtown.

Concerning possible metrics to track, Ms. McKibben stated that staff could relatively easily attain sales tax data for point of sales transactions but that other types of sales would be more difficult, such as data regarding rent or services that aren't point-of-sale.

Ms. Brenneman stated that she was interested to know who was in Juneau year-round, saying that she would be more interested in that than the diversity of retail type.

Ms. McKibben said that sales tax data could give them that number. She provided a summary of the metrics and action items that they had discussed. She told the Steering Committee that the next meeting would be focused on identifying their top ten policies, goals, and action items for this chapter. She also reported that by that time they would have the Tourism Task Force report.

Ms. Pierce said that the Tourism Task Force answered the big questions they were tasked with, but that there were some major topics of discussion that weren't answered and that the Blueprint Downtown Steering Committee would need to discuss. She said that it will be helpful to have the Tourism Task Force's recommendations regarding tourism when the Blueprint Downtown Steering Committee starts talking about the tourism chapter.

Ms. Ramiel said that the Tourism Best Management Practices program is a good model to follow.

Ms. McKibben said that the Main Street program is similar, and that in Anchorage there is a downtown partnership.

Ms. Ramiel said that those are funded by special assessment districts.

Ms. McKibben said that Mr. Dye had mentioned that the Downtown Business Association had tax money that they struggled to use because of limits on how the money could be spent. But

through the Main Street program, the city could create a Memorandum of Understanding specifying how certain funds can be spent so that auditors know how the money is being used.

Mr. Glidmann said that it's important to remember the size of our community in proportion with the bureaucratic processes they're endeavoring to use to solve the problem, using the Main Street program as an example. He said that many of the problems could be solved by hiring the city's own employees for the job. A city employee, for example, could do street cleaning in a small amount of time. He stated that it's already required by city ordinance but that it's not enforced, nor is it enforceable. He suggested using peer pressure to create an environment where people want to do positive things.

Ms. McKibben said that one of the challenges is that there are so many different entities that struggle to cooperate. One of the benefits of a program such as Main Street is that it creates a central entity. She also noted that Juneau is only 10 thousand people smaller than, and is very similar to, Olympia, Washington, which has a successful Main Street program.

VII. Adjournment

The meeting was adjourned at 8:25 p.m.

Next Meeting Date: To be determined.