

MEMORANDUM

CITY/BOROUGH OF JUNEAU

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

TO: Maria Gladziszewski, Chair of the Assembly Lands Housing and Economic Development Committee

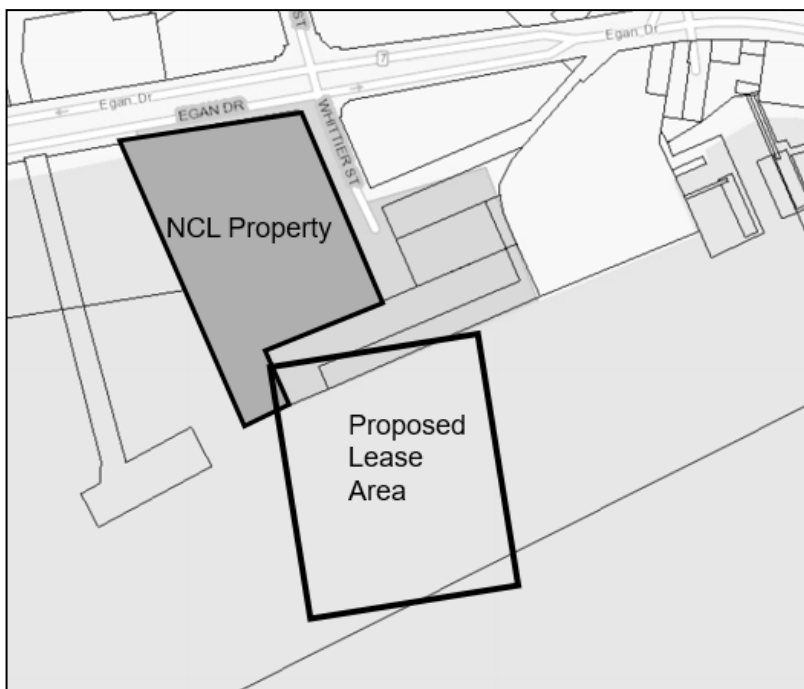
FROM: Dan Bleidorn, Lands and Resources Manager *Daniel Bleidorn*

SUBJECT: Norwegian Cruise Lines Request to Lease CBJ Tidelands

DATE: July 14, 2021

In June 2021, the Division of Lands and Resources received an application from Norwegian Cruise Lines (NCL) to lease tidelands. NCL acquired the upland parcel that is adjacent to the requested tideland lease in 2019 from the Alaska Mental Health Trust Land Office. In January 2021, the City Manager provided the Assembly Committee of the Whole with the attached [Support Development Memo](#) on the topic of Assembly consideration process, discussion and draft approach.

At this point in time, the application has been received and the initial step in processing the application is for the Assembly to determine "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" (53.09.260)



If the Assembly provides a motion of support to work with the original proposer, staff will work with NCL to apply for the correct City permits, outline the public process, and will eventually negotiate terms and conditions of a lease. Staff will provide regular progress reports to this Committee. If the assembly fails to provide a motion to work with the original proposer and determines a lease should not be considered, then the application process will be concluded. If the Assembly provides a motion to seek further proposals then a request for proposals will be advertised and the results will be brought forward to this Committee

for review. Since NCL is the adjacent property owner and there is no other uplands access to the City tidelands, seeking other proposals is not recommended.

Staff request that the Lands, Housing and Economic Development Committee pass a motion of support to the Assembly for working with the original proposer Norwegian Cruise Line in accordance with City Code 53.09.260.

Attachments:

1. January 25, 2021 Memo from Rorie Watt RE: Subport Development - Assembly Consideration Process, Discussion & Draft Approach with attachments
2. NCL Application



Application to Lease City and Borough of Juneau Lands

Edit Entry

Applicant Information

Business / Individual *

NCL Bahamas LTD - Attention Alicia Cuervo,VP

Address *

7665 Corporate Center Drive

Street Address

Miami

City

FL

State / Province / Region

33126

ZIP / Postal Code

Phone *

(786) 295-8922

Email

acuervo@nclcorp.com

Add Another Business/Individual

Business / Individual - 2 *

Suzanne Perez, Esq

Address *

Street Address

City

State / Province / Region

ZIP / Postal Code

Phone ***Email**

CBJ Land Information

The [CBJ Assessor's Database](#) will provide information regarding site address and legal description. The [CBJ Parcel Viewer](#) tool can provide necessary maps needed to complete this application.

Site Address ***Legal Description *****Provide Brief Description of Your Proposal *****Provide a Map of CBJ Land you wish to Lease ***[Juneau-Lease-App.pdf](#)  **Have you mailed the \$500.00 filing fee? *** Yes **Not Yet**

Applications can only be processed when the \$500 fee is received. All checks are made out to "The City and Borough of Juneau" and can be sent to:

The City and Borough of Juneau
Attn:Lands and Resources Division
155 S. Seward St.
Juneau, AK 99081

Additional Comments for CBJ Staff to Consider

Please be advised that a formal survey is in progress of proposed lease request area and will be forwarded shortly.

Upload Supporting Documents (optional)

Drop files here or
SELECT FILES

[Juneau-Lease-App1.pdf](#)  

"By submitting this form, I agree all information is accurate. Submission of this request is NOT approval by the City and Borough of Juneau. I understand that staff will review my application and follow up with questions. Once staff have reviewed my application, ultimate determination of my request to lease City property will be made by the City Assembly."

Legal Representative of Business / Individual *

Suzanne

First

Perez, ESQ

Last

Legal Representative of Business / Individual -2 *

Steve

First

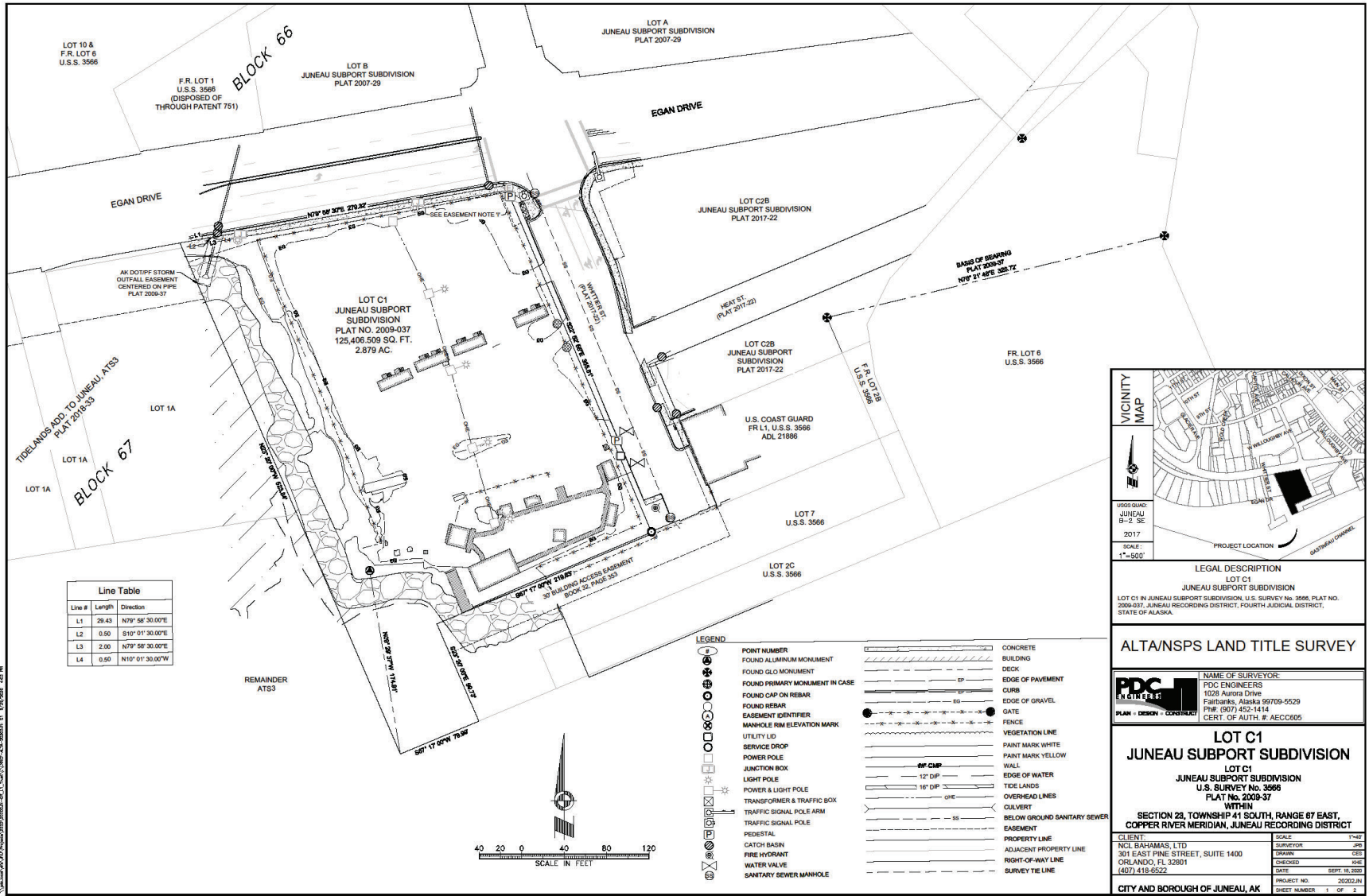
Moeller, SVP

Last

UPDATE

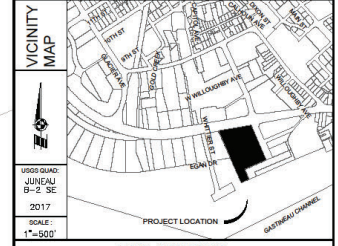
CANCEL

DELETE



Line #	Length	Direction
L1	29.43	N7° 58' 30.00"E
L2	0.50	S1° 01' 30.00"E
L3	2.00	N7° 58' 30.00"E
L4	0.50	N1° 01' 30.00"W

- LEGEND**
- POINT NUMBER
 - FOUND ALUMINUM MONUMENT
 - FOUND IRON MONUMENT
 - FOUND PRIMARY MONUMENT IN CASE
 - FOUND CAP ON REBAR
 - FOUND REBAR
 - EASEMENT IDENTIFIER
 - MANHOLE RIM ELEVATION MARK
 - UTILITY LID
 - SERVICE DROP
 - POWER POLE
 - JUNCTION BOX
 - LIGHT POLE
 - POWER & LIGHT POLE
 - TRANSFORMER & TRAFFIC BOX
 - TRAFFIC SIGNAL POLE ARM
 - TRAFFIC SIGNAL POLE
 - PEDESTAL
 - CATCH BASIN
 - FIRE HYDRANT
 - WATER VALVE
 - SANITARY SEWER MANHOLE
 - CONCRETE BUILDING
 - DECK
 - EDGE OF PAVEMENT
 - CURB
 - EDGE OF GRAVEL
 - GATE
 - VEGETATION LINE
 - PAINT MARK WHITE
 - PAINT MARK YELLOW
 - WALL
 - EDGE OF WATER
 - TIDE LANDS
 - OVERHEAD LINES
 - CULVERT
 - BELOW GROUND SANITARY SEWER
 - EASEMENT
 - PROPERTY LINE
 - ADJACENT PROPERTY LINE
 - RIGHT-OF-WAY LINE
 - SURVEY TIE LINE



LEGAL DESCRIPTION
 LOT C1
 JUNEAU SUPPORT SUBDIVISION
 LOT C1 IN JUNEAU SUPPORT SUBDIVISION, U.S. SURVEY No. 3566, PLAT No. 2009-037, JUNEAU RECORDING DISTRICT, FOURTH JUDICIAL DISTRICT, STATE OF ALASKA.

ALTA/NSPS LAND TITLE SURVEY

PDC ENGINEERS
 1028 Aurora Drive
 Fairbanks, Alaska 99709-5529
 PRR: (907) 452-1414
 CERT. OF AUTH. # AEC605

**LOT C1
 JUNEAU SUPPORT SUBDIVISION**

LOT C1
 JUNEAU SUPPORT SUBDIVISION
 U.S. SURVEY No. 3566
 PLAT No. 2009-037
 WITHIN
 SECTION 23, TOWNSHIP 41 SOUTH, RANGE 87 EAST,
 COPPER RIVER MERIDIAN, JUNEAU RECORDING DISTRICT

CLIENT	NCL BAHAMAS, LTD	DATE	SEP 15, 2020
SURVEYOR	PDC ENGINEERS	PROJECT NO.	2020JN
DRAWN	CEJ	SHEET NUMBER	1 OF 2
CHECKED	WJS		
DATE	SEP 15, 2020		

ASSEMBLY STANDING COMMITTEE MINUTES
LANDS HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
July 19, 2021, 5:00 P.M.
Assembly Chambers/Zoom Webinar Meeting

I. CALL TO ORDER

II. ROLL CALL

Chair Gladziszewski called the meeting to order at 5:00pm.

Members Present: Chair Maria Gladziszewski, Wade Bryson, Alicia Hughes-Skandijs, Greg Smith

Members Absent: none

Liaisons Present: Lacey Derr, Docks and Harbors, Dan Hickok Planning Commission

Liaisons Absent: Chris Mertl, Parks and Recreation

Other Assembly Members Present: Loren Jones

Some Members of the Public Present: Dave McCasland, Paul Voelkers

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

III. APPROVAL OF AGENDA

Agenda was approved as presented.

IV. APPROVAL OF MINUTES

June 7, 2021 Draft Minutes were approved as presented.

V. PUBLIC PARTICIPATION

No public participation.

VI. AGENDA TOPICS

A. Norwegian Cruise Line Request to Lease Tidelands

Mr. Bleidorn discussed this request. In June 2021, Lands received an application from Norwegian Cruise Lines (NCL) to lease tidelands. NCL acquired the upland parcel that is adjacent to the requested tideland lease in 2019 from the Alaska Mental Health Trust Land Office. In January 2021, the City Manager provided the Committee of the Whole a memo on the topic for Assembly consideration and discussion. The initial application step is for the Assembly to determine "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," (53.09.260). If the Assembly provides a motion of support to work with the original proposer, staff will work with NCL to apply for the correct City permits, outline the public process, and will negotiate terms and conditions of a lease. Staff will provide regular progress reports to the LHED. If the assembly fails to provide a motion to work with the original proposer and determines a lease should not be considered, then the application process will be concluded. If the Assembly provides a motion to seek further proposals then a RFP will be advertised and the results brought forward to the LHED for review. NCL is the adjacent property owner and there is no other uplands access to the City tidelands, seeking other proposals is not recommended.

Mr. Bleidorn noted that the map presented in the packet was an older map and the area is slightly different, a little longer and skinnier than that map. Smith asked if with this new area if NCL will still be the only adjacent property owner and no one else to the uplands access. Mr. Bleidorn confirmed and noted that the written memo is correct with its information.

Mr. Bryson made the motion that Staff request that the Lands, Housing and Economic Development Committee pass a motion of support to the Assembly for working with the original proposer Norwegian Cruise Line in accordance with City Code 53.09.260. Motion passed.

B. Franklin Foods LLC Request to Purchase City Property at 139 S. Franklin St.

Mr. Bleidorn discussed this request. On June 3, 2021, David McCasland of Franklin Foods LLC submitted an application to purchase City property located at 139 S. Franklin St. This property was known as Gunakadeit Park and is roughly 4,000 square feet. Franklin Foods is leasing this lot as part of their food court. McCasland sent the Borough Assembly a letter stating that he is in discussions to purchase the former Gastineau Apartments property located at 127 S Franklin St. This property is the former location of the Gastineau Apartments and is adjacent to the City's property. It is roughly 16,000 square feet and is leased to Franklin Foods for the food court. The 2016 Land Management Plan lists the City lot as managed by Parks and Recreation and the retention status marked as "Retain/Dispose." At the time of the Plan's adoption it was determined that the City property was needed to facilitate the demolition of the burned out Gastineau Apartment building, which was a public nuisance. The 2019 Parks Master Plan listed the property as a Special Use Area.

In 2018, Lands received a similar application to buy this property also from Franklin Foods. The Parks and Recreation Advisory Committee (PRAC) at their October 8, 2018 meeting determined that a temporary lease would be preferred over selling the property and recommended the Assembly retain Gunakadeit Park as a Special Use Area and requested that staff develop options for future development or disposal. During the 2018 Assembly review, Assembly Member Jones noted that if the purchase of the neighboring property did go through that it would be worth approaching the Assembly again to request another proposal to purchase Gunakadeit Park at that time. The Assembly, at the November 5, 2018 meeting, directed the City Manager to negotiate a fair market value lease of Gunakadeit Park. The current lease agreement is for one year with two additional one-year terms remaining. With the new application received, the initial step is for the Assembly to determine 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 this land.

Mr. Smith asked that when we are dealing with an issue about parkland if sending it to the PRAC is standard practice. Chair Gladziszewski confirmed. Mr. Smith commented he wanted to keep this as less bureaucratic as possible.

Mr. Bryson asked if any other members of the public or organizations expressed interest in this property in the past few years prior to Mr. McCasland's lease. Mr. Bleidorn replied that there has been no other inquiries, but there has not been any public outreach or advertising about this property. The applicant submitted a purchase and sale agreement for the Gastineau Apartments lot with the concept of trying to consolidate these lots, which could be a stipulation if we move this forward.

Ms. Hughes-Skandijs moved that Staff request the Lands, Housing and Economic Development Committee forward this application to the PRAC prior to the Assembly determination in accordance with City Code 53.09.260. (MOTION PASSED after amendment to motion failed).

Mr. Bryson objected to the motion and commented that he is aware that normal practice is to send this to PRAC and as a PRAC liaison; he has watched this come through the first time. The valid reasons that are going to be stated again are that CBJ is concerned about letting go of parkland and we do not want to sell this of property and to develop in this area. I would imagine this is similar to what operated just three years ago, with only a couple of new members. They are going to give us the same explanation and probably decisions, which will be real close to that one way or the other. It is going to come back to the Assembly, then, and then we are going to have to make a decision or we can make these recommendations. We know the facts that are part of this request to purchase CBJ land. The PRAC is an unnecessary step and Mr. McCasland has demonstrated that he is going to do the development that we wanted and it has, I would consider, a private sector park. He has open land that is well received in the community, it has a park like setting, it's outdoors but because private sector needs to make money, they have the food station there. We are maintaining it as a downtown park-like setting attraction. He's doing everything that we've asked as an Assembly and has plans to build housing which we've incentivized by property tax abatement. If we allow Mr. McCasland to do this we're encouraging development downtown, we're adding his property as he develops it to the tax rolls, and he'll be able to generate a great asset in the heart of downtown. This is win, win, win for the City.

Mr. Smith appreciated Mr. Bryson's comments but felt that the PRAC had a broader view of that land and how it should be used and we should give them a chance to look at it.

Ms. Hughes-Skandijs asked Mr. Bleidorn about the flow chart process, if we skip sending it to the PRAC the only other step would be to go directly to the Assembly, so we're just kind of cutting off one bubble. Mr. Bleidorn confirmed and the PRAC would provide a recommendation to the assembly for retaining or disposing of this property. They wouldn't look at the disposal and ask what is going to get built there.

Chair Gladziszewski commented that she is not ready to forward this to the Assembly. LHED has not examined this proposal and she would want it to come back to the LHED for discussion and analysis after it has been considered by the PRAC.

Mr. Smith asked how long the PRAC review process takes. Mr. Bleidorn replied that the PRAC meets once a month and this may not be on the August meeting, probably September. Addressing previous comments, if decided to work with the original proposer, it would come back to the LHED after a proposal is put together and if everything were agreed upon, draft an ordinance, which would go to the Assembly for introduction and public hearing.

Mr. Bryson made an amendment to the motion **that the Lands, Housing and Economic Development Committee forward this application to the full Assembly for a motion of support to work with the original proposal in accordance with City Code 53.09.260. Amendment failed by 2:2. Original motion passed with no objections.**

C. Amending Title 49 Land Use Code/TPU Updates

Ms. Maclean and Mr. Watt discussed this item. Chair Gladziszewski noted that during the last meeting, there was conversations about Title 49 and we've added updates as standing agenda items. Mr. Watt commented that if you want a system that produces more code amendments then you need a faster process. Right now, what we have is deliberative, slow and careful, and there are good reasons for that. Times have changed and we want to put more focus on amending and updating the land use code, then, our current system is going to frustrate us. On