

# MEMORANDUM

CITY/BOROUGH OF JUNEAU

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**TO:** Alicia Hughes-Skandijs, Chair of the Assembly LHED Committee  
**FROM:** Dan Bleidorn, Lands and Resources Manager *Daniel Bleidorn*  
**SUBJECT:** Southeast Alaska Food Bank Request for Gravel at Less than Fair Market Value  
**DATE:** July 13, 2023

Since 2005, the Southeast Alaska Food Bank has leased a fraction of U.S. Survey 1041, which is located in the Mendenhall Valley at the end of Crazy Horse Drive. This property is roughly 32 acres in size and fractions of this parcel are leased to the Food Bank, the FAA, and more recently, to Vertical Bridge for a communications tower. The lease was amended in 2015 to increase the leased area to .50 acres from .25 acres and again in 2023 for an additional 1.0 acre for a total of 1.50 acres.

The Food Bank has been working towards the construction of additional warehouse space and the next phase includes clearing unusable organic material and backfill with gravel. The Food Bank has requested use of the City gravel resources to fulfill their need for site prep. The city gravel resources are reserved for City or State projects as this is a limited resource which costs a significant amount to operate and maintain.

The Food Bank is a non-profit and they would be utilizing the gravel to enhance a property that is owned by the City which will be returned to City management if the lease expires or is not renewed. In a discussion with the City Rock and Gravel Resource Manager it was determined that the Lemon Creek Material Site could be made available for this use, but the quantity and timing will need to be negotiated as the amount of rock available, without site-work, is extremely limited.

It is not recommended that the Food Bank receive gravel for free because that cost would be passed on to the CIP projects that utilize city gravel. In a discussion with the Food Bank, they were aware of this cost and would consider paying the operational cost for gravel.

**Staff requests that the LHED Committee provide a motion of support for the City Manager to work with the Southeast Alaska Foodbank to grant access to City gravel resources at the cost of \$4.90/Ton.**