

MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office
155 Heritage Way Juneau, Alaska 99801
Dan.Bleidorn@juneau.gov
(907) 586-5252

TO: Alicia Hughes-Skandijs, Chair of the Assembly LHED Committee
FROM: Dan Bleidorn, Lands and Resources Manager *Daniel Bleidorn*
SUBJECT: Request to Purchase City Property
DATE: February 21, 2024

In December 2023, John Geary with JG Construction contacted the Lands and Resources Office and requested information on the two CBJ lots located on Jackie Street. In February JG Construction applied to acquire fractions of two CBJ lots through a negotiated sale process. These two lots have been available for purchase from the CBJ since 2017, first by sealed bid (53.09.250) and then by over-the-counter sale (53.09.240). See attached Ordinance 2017-26.

The final plat for the Renninger Subdivision was completed in 2015. In 2016 the Lands Committee directed staff to advertise for letters of interest regarding the development of Renninger Subdivision. The outcome of that process was the fair market disposal of lot 6 and lot 7 to the Alaska Housing Development Corporation. The Assembly also authorized the disposal of lot 3 to the Juneau Housing Trust for 50% of fair market value which is being utilized for the JSD and UAS home building program site. The houses built on lot 3 will remain under the ownership of the Juneau Housing Trust. In 2017 Alaska Housing Development Corporation purchased lot 2 at fair market value through the negotiated sale process.

The applicant has requested fractions of lot 4 and lot 5, which are the two remaining CBJ owned lots. The applicant proposes to use the property for residential development and the application states that if the sale is approved that they will build a maximum of 28 apartments. Lot 4 is the northern most lot and has challenging topography and steep slopes. Lot 5 is the southern lot which has challenges associated with the wetlands located on this property. Lot 4 is currently 164,858 square feet and the applicant has requested approximately 43,725 square feet. Lot 5 is currently 190,873 square feet and the applicant has requested approximately 39,000 square feet.

The applicant has requested that the Assembly consider the valuation approach as outlined in the attached application. Standard practice for a negotiated sale or lease is to have an applicant hire an appraiser to determine fair market value. The applicant's justification for this valuation is based on the fact that these properties have been on the market for a number of years and have received no applications for purchase. If

this application moves forward, fair market value would be negotiated and approved by the Assembly.

The next step in this process will be for the Assembly to review this application as a new business topic and 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." If the Assembly provides a motion to negotiate with the original proposer and the negotiations are successful, an ordinance with terms and conditions of the sale will be introduced prior to a public hearing.

Staff request that the Lands, Housing and Economic Development Committee provide a motion to the Assembly on 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 in accordance with CBJ 53.09.260

Attachments:

1. Application
2. Ordinance 2017-26
3. Maps