

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: Parise Request to Purchase City Property
DATE: November 3, 2022

In 2021, the City received a request from PEAK Construction for an easement across city property. Since the original application was received, the City has spent many staff hours including that of CDD, Law, Lands Office, Managers' Office, Parks & Recreation, and Public Works. The adopted Land Management Plan lists this property as retain.

Parks staff recommended denial of the easement to the Parks and Recreation Advisory Committee (PRAC) stating that this is not in the best interest for the public and is not consistent with the Parks & Recreation Master Plan. The PRAC requested that staff work with the applicant and "bring forward a more definitive proposal" rather than accept staff's recommendation of denial.

Parks, CDD, and Lands staff met with the City Attorney's Office and determined that an easement was problematic for following the Land Use Code; and that a disposal and lot consolidation would be more conforming with Code. As a condition of the sale, the City can plat a public access and utility easement from Glacier Highway to the shoreline in order to retain public access, thus complying with the Land Use Code. The new application was reviewed by the PRAC on April 5, 2022, and they passed a motion, 3 to 2, recommending against the disposal of this property with this method.

At the April 11, 2022 Lands, Housing, and Economic Development Committee meeting, Assembly Member Smith moved that the Lands, Housing, and Economic Development Committee forward this to CDD to review the disposal/easement application prior to the LHED providing a direction if to proceed with the sale. The motion failed 2:2. Assembly Member Wáahlaal Gíidaak moved retain the property and to not seek disposal. The motion failed 2:2

At the August 1, 2022 Assembly meeting, the Assembly discussed this application as new business. City code states, "The proposal shall be reviewed by the assembly for a determination of 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.” The Assembly passed a motion to enter into negotiations with the original proposer.

Because both motions failed at the LHED Committee, it was discussed as New Business at the Assembly. The Assembly provided a motion of support to work with the original proposer. After that motion, the Planning Commission review was scheduled, which includes specific public notice to the area, at which point the City received another application to purchase this property.

As part of the Planning Commission process, a large red sign was posted on the City property advertising the application review. The adjacent neighbor saw this and completed an application to purchase the property as well. This applicant stated verbally that they already have an access easement across the City property (unknownst to CBJ) and the current city actions would impede on their platted access.

The Planning Commission reviewed this application at their October 20, 2022 meeting and recommended denial. Part of the conversation regarding the outcome included the fact that the Land Management Plan has this property designated and “retain” and if it is to be disposed of, that designation should first be changed.

The Assembly would need to adopt an ordinance in order to change the designation of this property via an update to the Land Management Plan. It is likely that reviewing this specific property designation would mean reviewing some or all of CBJ’s out the road waterfront access properties that have the same designation as this one.

At this time, the Assembly has two applications to purchase this City land in front of them. The property is designated “retain” in the Land Management Plan, the PRAC was originally in favor of some sort of agreement that increased the park-value of the property but was against disposal, and the Planning Commission recommended denial. This property was also preserved in Ordinance 87-76am - An Ordinance Preserving Certain Municipal Land for the Juneau Open Space and Park System. If the Assembly determines this property is no longer to be retained, than Ordinance 87-76am will also need to be updated.

According to City Land Disposal Code 53.09.200, there are numerous options for moving a disposal including: lottery, auction, over-the-counter sale, negotiated sale, sealed bid, land exchange, or other methods as the assembly may approve by ordinance. Since there are two interested parties, negotiated sale is not in the best interests of the City. If the Assembly wants to move forward with a disposal, then the Assembly should consider a competitive sale (after updating the LMP).

Staff recommend this application to purchase City property be denied.

If at a future date the Land Management Plan is updated to favor disposal of this property then a competitive process for disposal should be considered to maximize CBJ and public benefits.