

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: Pederson Hill Development Update
DATE: March 6, 2024

In 2023, the Assembly authorized the disposal of Approximately 11.5 Acres of Property Located at Pederson Hill to Tlingit Haida Regional Housing Authority (THRHA) for less than fair market value. This disposal included conditions that a minimum of 30 houses be built within 10 years of the sale.

In 2022, the Assembly authorized the City Manager to enter into negotiations with Moline Investment for the disposal of roughly 10 acres of CBJ property for multifamily housing utilizing tax credits to provide housing to residents at 60% AMI and below for 15-20 years. As part of this application a portion of the property was successfully rezoned from D10-SF to D10. In order for this sale to proceed the applicant would have needed to subdivide the property and design access and utilities. In the time since this application was first received the tax credit potential dissipated and the application process ended.

In 2022, after the Moline Investment application was submitted, Harris Homes submitted an application to acquire a portion of the remaining CBJ property. This application was for a fair market value land disposal by negotiated sale in order to build market rate housing.

Currently, the remaining CBJ property exists as a single 101-acre parcel with portions being zoned D10 and D10-SF. The next step in developing the remaining CBJ property is to survey and design a future road alignment which will provide the existing Pederson Hill subdivision with a second access to Glacier Highway. This second connection point is critical and necessary. Future lot layout and subdivision design will largely be determined by the road alignment and by future Assembly direction on lot size and disposal type.

The Assembly has also expressed interest in partnering with the USCG on developing property in order to meet their local housing demand. As this property design moves forward CBJ will continue to engage with the USCG to ensure that their housing needs are being considered.

The Pederson Hill CIP has funding to begin the road design, and the 2025 budget has identified additional funding from the Land fund. Even with funding available for design, limited staff time at CDD and Engineering means that the RFP process is not likely to

begin until FY2025. Once the alignment is designed, a cost estimate for constructing the road will be provided to the Assembly with a request for directions on how to proceed with the development. If approved and funded, road construction could begin as early as 2027.

On February 14, 2024, Richard Harris contacted the Assembly and requested an update on the application that was submitted in 2022. At the December 19, 2022, meeting, the LHED Committee passed a motion to deny this application based on the fact that the assembly previously provided direction to work with Moline Investment. It is staff's recommendation that no action is needed since the LHED Committee passed a motion recommending denial in 2022. It is recommended that the CBJ retain this property until a time when this 101-acre parcel can be subdivided into developable builder-size parcels, then disposed of competitively.