

ASSEMBLY STANDING COMMITTEE MINUTES
LANDS HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
March 7, 2022, 5:00 P.M.

I. CALL TO ORDER

II. LAND ACKNOWLEDGEMENT

III. ROLL CALL - Chair Hale called the meeting to order at 5:00 pm.

Members Present: Chair Michelle Hale, Greg Smith, Wade Bryson, Wáahlaal Gíidaak

Members Absent: none

Liaisons Present: Chris Mertl, Parks and Recreation; Lacey Derr, Docks and Harbors

Liaisons Absent: Mandy Cole, Planning Commission

Staff Present: Dan Bleidorn, Lands Manager; Roxie Duckworth, Lands & Resources Specialist; Alix Pierce, Tourism Manager

IV. APPROVAL OF AGENDA – The agenda was approved as presented.

V. APPROVAL OF MINUTES – February 14, 2022 Draft Minutes were approved as presented.

VI. PUBLIC PARTICIPATION - No public participation.

VII. AGENDA TOPICS

A. BRH Purchase of Family Practice Building

Mr. Bleidorn discussed this topic. Chair Hales asked what a non-conforming review is. Mr. Bleidorn replied that it is when there's an existing use on a property that may not conform with the adopted plans and to evaluate that use to see how it could change over time. This is zoned D10 residential and has a medical building on the property.

Ms. Pierce further explained that a nonconforming situation review is done for a property that doesn't conform to the zoning in the area that it currently exists because the zoning was different at the time that the property was established, or there was no zoning. A non-conforming situation review is an investigation where CDD staff review the zoning at the property, the historical zoning, and then designate the property not conforming for height setbacks and lot width, those types of dimensional standards. Use can also be non-conforming if the use is no longer allowed in the zoning district.

Mr. Bryson asked if CDD could say that this building is not going to be allowed for medical uses if it's sold. If the review doesn't come back non-conforming because it's a medical building in a residential zone, is that one of the outcomes of the non-conforming review. Mr. Bleidorn replied that the existing building can continue to be used as a medical building, but if we wanted to build another building of equal size adjacent to it and use that for medical there might be some issues there with the D10 zoning. This is why we're doing the review process, because that will tease out all the information to tell us what could be used. Part of the Bartlett Board's interest in this property was the fact that there's a large chunk that remains undeveloped and that could theoretically be used in the future. If that changes or if there's issues there, then we can go back to the building owners and reevaluate the price as well.

Chair Hale asked about that the way that motion is worded. Does Bartlett actually have the funds to fund the purchase and sales agreement and the inspection. Mr. Bleidorn confirmed they do and Bartlett has the funds already appropriated for evaluating the building. For the purchase at the \$2.4 million, they will need to have funds appropriated for that. Chair Hale asked if the request is that we pass a motion of support to appropriate funds for the acquisition of the building, but we're not at that stage yet so if we pass that motion, then what will be the request of the Assembly at this point. Mr. Bleidorn replied that if that motion passes the Assembly would see this as an ordinance and that ordinance would appropriate the funds, but there may be another opportunity, depending on the outcome of some of our research

and inspections, to take this back to the Hospital Board. If I understand the question correctly, a motion tonight would be the next step, and the Assembly would adopt of an appropriations ordinance.

Mr. Bryson asked about this property being located away from the Bartlett complex, did the Hospital Board discuss any of the unintended consequences of having property so disconnected from the hospital, it seems like every other piece of property that the hospital's tried to buy has been right in the immediate proximity. Was there any discussion about this being six miles away. Hospital Board chair Mr. Solomon-Gross replied that the board did discuss Bartlett owning property away from the campus. The current campus is getting very tight and they are expanding. At this time, Bartlett would just be the landlord to the tenets in this building. We would acquire the property and continue to support the physicians already in that property. If in the future Bartlett decides to expand off of campus, and it is approved, Bartlett would be able to put some services in the Family Practice Center. Today, the short-term goal is to acquire the property and to support the physicians that are out there.

Wáahlaal Gíidaak commented that she was still getting a grasp of the funding pools and how the hospital works in relation to the Assembly and CBJ, and asked if this was passed all the way through the Assembly process. Would the \$2.4 come out of CBJ coffers or is there coffers with the hospital that that those funds would be administered from. Mr. Solomon-Gross replied that the money from these enterprise boards is all CBJ's money, it's all the people's money. As an enterprise board Bartlett has its own fund balance. In this particular case, the money would come from Bartlett's fund balance so the Assembly would appropriate us to be able to spend that money out of Bartlett's fund balance, this is still CBJ's money, but would come out of Bartlett's fund balance not the CBJ fund balance.

Mr. Mertl commented that in his years a liaison he has not seen the City appropriate funds for purchasing land and it seems kind of an odd vehicle. There is a flow chart that shows how we move through disposal and purchase the properties. And perhaps just as me being a liaison, I personally feel a little uncomfortable not knowing the overall budget and the requirements the City goes through whether we're necessarily the right vehicle or venue for saying yes or no to this. I think anything that we can do to improve the hospital is wonderful, but I'm just a little curious to why this is coming to Lands, this isn't a typical request we've seen previously. Mr. Bleidorn replied that the memo discusses property acquisitions and that there's not very many opportunities where the City acquires property through this section of code. A lot of times the property we acquire is either parkland where it's a donation, or some type of less than fair market value, but for property acquisitions, sometimes when a property becomes available, you need to move quickly. If we have the money appropriated in our budget it doesn't necessarily need to go to the Assembly for an appropriations ordinance, as according to city code we determine fair market value and not exceed that if the money is appropriated, or is in the budget, the City Manager has authority to acquire city property. Since this money isn't appropriated, we need to do and appropriations ordinance. That's why we're here, to inform the committee so the Assembly has some background prior to that appropriations ordinance coming through.

Chair Hale commented that the BRH Assembly Joint Task Force has reviewed this and they support it going through the full assembly process and wanted to make that comment clear to this committee.

Mr. Bryson moved that staff request that the Lands, Housing and Economic Development Committee forward this application to the Assembly with a motion of support to appropriate funds for the acquisition of 10301 Glacier Hwy to the full Assembly. Motion passed, no objections.

B. Amendment to 2019 CBJ/CLIAA Settlement Agreement

Ms. Pierce discussed this topic. The MOA was signed in 2019 between CBJ and Cruise Line International Association (CLIA) was the result of the litigation over marine passenger fees that CBJ and CLIA spent

about four years in court on. We are currently working on the first of a series of MOAs with CLIA regarding less scary and legal issues, mostly related to management of the visitor industry and implementing some of the Visitor Industry Task Force recommendations. In order to execute the MOA that we have ready to go with CLIA, we need to amend the settlement agreement to allow us to spend money on the Capital Civic Center project, or Centennial Hall, up to 10 million in passenger fees over five years. We wanted to put it in front of an assembly committee because it wasn't assembly action to draft the settlement agreement MOA and to ensure that we were following process. There is a suggested motion in the packet, accepting and supporting the proposed Amendment One to allow us to spend marine passenger fees on Centennial Hall, and as a result of that, you will see a MOA with CBJ and CLIA forthcoming that agrees to some of the Visitor Industry Task Force recommendations.

Wáahlaal Gíidaak asked if the motion is enough and if we don't need full assembly approval. Ms. Pierce replied that was a point of discussion between the manager's office and Law, but if it is determined that the full assembly needs to see this MOA then they will.

Mr. Smith asked about the terms used in the MOA, at one point it's the Juneau Centennial Center and another place it's the Centennial Hall expansion project, also known as the Centennial Civic Center. Maybe some flexibility in the language is good, I just wasn't quite sure if there was a need for that to be streamlined or if this just allows us to do anything at Centennial Hall. Ms. Pierce replied that was the intent and by supporting this MOA, the Law department could clean up or clarify the language. The intent is to allow CBJ to spend money at Centennial Hall in whatever iteration of that project is agreed upon with CLIA. The differentiation in language is how it has been referred to in other documents. If this committee supports and moves this motion forward there could be clean up and further clarification.

Mr. Bryson commented that he was confident that the Lands department could read the small minor changes of the MOA and get this work done. As discussed many times, we're pretty bogged down and loaded with the workloads, this is a pretty straightforward example of giving an answer and actually get work done to help move this project forward. We can hold it off to the whole assembly, and then it will be another segment at the COW that will be on another fully packed agenda. We've been talking about reducing our workload, so when we have opportunities like this, where the answers are in front of us, we can get the work done, otherwise this exact same presentation and same information is going to go to the assembly, and this agenda item will get a moot point because we're not doing anything with it. We have an opportunity where we can actually make something happen.

Mr. Bryson moved to make the motion. Mr. Smith made a brief objection for just a purpose of statement. At some point, it might be helpful for us to get a sense of what the plans are for the marine passenger fees for five years out. This may be a question for Mr. Watt, so we have an understanding of where we're planning on expanding these funds. Mr. Smith removed his objection.

Chair Hale objected just for purposes of a comment. She appreciated Mr. Bryson's comments, and added that she will include this item on her assembly report when reporting to the full assembly so they will know what's happening and what we did in this committee.

Motion passed that the committee accepts and supports the proposed Amendment 1 to the 2019 MOA between CBJ and CLIA. No objections.

C. Visitor Industry Task Force Implementation Update

Ms. Pierce discussed this topic. The Visitor Industry Task Force was established with a mayor's charging document in 2019. It met for about six months and received around 200 public comments and the final report was delivered to the Assembly in April, 2020. The task force was charged with four major

questions, one very large open ended question that led to a lot of recommendations of varying detail and complexity around management of the visitor industry. The second question was whether to update the long range waterfront plan in a comprehensive way and whether we should, or could, legally replace limits on or restrictions on the numbers of visitors and whether or not to collect public opinion surveys. The COW directed the manager to create an implementation plan for the visitor industry in January, 2021 and that's what's before this committee. It's a status update for the things slated for the committee up through this year to show where we're at and what we're working on.

The first recommendation was to establish a central tourism management function, which is now Ms. Pierce. The tourism management functional diagram shows all the different city departments, the different agencies, the different nonprofits, and the organizations that touch tourism management in Juneau. These include operations and maintenance, infrastructure planning, scheduling, product development, public relations, permitting, enforcement, monitoring, and reporting. It is not my job to do all of these things, but it is my job to keep track of all of them, coordinate some, and manage others. As I work, my way into that in my new position, we're working to systematically implement the recommendations of the task force, working with various partners, everybody from CLIA to other city departments, to the state, the forest service, Travel Juneau, AEL&P, and the list goes on and on under public relations. It's really a multifunctional, complicated, and messy collaborative issue and these recommendations are the first step in a long and incremental approach to being a proactive community in terms of tourism management. Some of the immediate steps that we're taking are the settlement agreement amendment that you just approved and accepted, following that we will sign an MOA with CLIA on some of the issues or recommendations listed. That MOA will be the first of several, it's certainly some of the lower hanging fruit, we agree in the MOA as long as it stays in the same format to commit to working together on some of the tougher issues around scheduling, five ship limits, etc. We are also working on dock electrification planning.

To Mr. Smith's question or statement in the last item, Ms. Pierce would be happy to talk to this group about some of the long term initiatives around passenger fees, or to the full assembly or Finance Committee, whoever makes the most sense. The big items are dock electrification, the Sea Walk and the Civic Center. There are also operational costs that we typically expend passenger fees on and then every year smaller projects that require passenger fee funding. This year, the bulk of the bigger money is going towards the dock electrification planning, at least as proposed in the form of a transformer that allows us to power multiple docks at a time and some planning money for design of an electrified dock.

We didn't have the opportunity to weigh in on the 2022 schedule in the way that we would have liked because of timing, but have made some smaller changes to the 2022 schedule. For example, one of the recommendations is to put our power configured ships at electrified docks and moving one ship, which is shore power configured, swapping it with another ship so that it's at the Franklin Dock which is electrified throughout the season, except when there's a Princess ship there with a preferential agreement to plug in there. We are continuing to work on small improvements with the VHF recommendations, such as additional pedestrian stanchions downtown and vehicle turning movements with the installation of the Peratrovich Plaza. If a new dock is constructed that would also change some of the vehicle turning movements and mitigate some of the congestion issues that are recommended. The next item is support permitting, the VITF makes a recommendation on whether to allow a dock at the support with a "yes got" answer. They issued eight criteria under which they would like to see a dock developed or under which they thought a dock should be allowed to develop. The long range waterfront plan amendment that the Assembly will have a public hearing on next week incorporates those criteria. Many of the VITF recommendations were made with the assumption that there will be an additional dock over the next few years. If a dock is not constructed, for any reason, from the lack of

approval at some level of the process, to NCL not constructing something, these recommendations would need to be revisited, reformulated to capture the intent of the VITF's recommendations related to the five ship limit and congestion in a situation where we continue with anchoring and lightning.

A larger context, we have a group called Port Community Alaska, where we're working with our regional partners to identify common goals, discuss fees and schedules, and how we all do everything. We've also been talking about environmental initiatives. We've also been talking with the port of Seattle, Portland, and Vancouver and they're very interested in those discussions and wanting to participate, they are home ports and their capacity determines the region's capacity. As far as long term capacity they're important partners and we're excited to have those relationships now. I don't think it's possible to plan for what we want to see this industry look like in Juneau over the next 10, 20, or 50 years, without considering the rest of the region, because we are part of a regional network. As we figure out goals a little bit better, I'm hoping that we can move towards a long range planning model and figure out where we want to go as a region, and what we want to look like as a destination. With CLIA, we talked about Canada finally opening and are allowing cruise ships with testing measures. We will continue with MOAs but also develop that relationship so that it's a mutually respectful function based on operation and negotiation.

We have money for an additional survey for 2022, I would like to keep doing surveys, community outreach on a variety of different levels and then also developing a coordinated tourism management approach, not just regionally, but also locally. This kind of concept needs multiple stakeholders and regional coordination in order to be successful.

Chair Hale asked if Ms. Pierce is planning in the near future if she is bringing this presentation to the COW or is the presentation going to stop here. Ms. Pierce replied that she would love to bring this presentation to the COW and it's, especially as we move forward with MOAs, I think that might be an appropriate venue to also give a VITF updates. The reason why I'm here tonight with this committee is because we were doing the settlement agreement amendment and I thought that it was timely to also give an update on the Visitor Industry Task Force recommendation because they're linked.

VIII. COMMITTEE MEMBER/LIAISON COMMENTS AND QUESTIONS - None

IX. STANDING COMMITTEE TOPIC

A. 2022 LHED Committee Goals

Mr. Bleidorn gave a quick update. In the packet are the Assembly goals from our meeting in December, and the Chair and I went through and highlighted some things that we feel like this committee could tackle and work on throughout the year. This is just the first time we've had them in the meeting. I think our goal is to be to update the notes column in the table every time we have something that we work on, you'll see that as part of the packet from the notes for the next year. As we have things moving along we're going to update the notes so you'll see those changes over time.

Chair Hale asked that when Mr. Bleidorn does update those items in the notes column, if he could put the date and then leave that note with the date in the column until the next update. That would be very helpful, so we know what's going on.

Mr. Smith commented that at some point we were getting some updates on housing and would like to continue to maintain updates on housing and the Housing Action Plan.

X. NEXT MEETING DATE – April 11, 2022

XI. ADJOURNMENT - Chair Hale adjourned the meeting at 5:47 PM.