

HERITAGE LAND BANK ADVISORY COMMISSION
Meeting

February 13, 2020, 11:30 a.m.

Permit & Development Center conference room 170
4700 Elmore Road, Anchorage, Alaska

Meeting Minutes

I. Call to Order

HLBAC Acting Chair Fredrick called the meeting to order at 11:40 a.m.

II. Roll Call & Disclosures

No disclosures or conflicts were noted.

Commissioners Present:

Jim Fredrick, Acting Chair
Vicki Gerken, Commissioner
Peggy Looney, Commissioner
Kati Capozzi, Commissioner (via telephone)

Staff Present:

Robin E. Ward, Executive Director
Shelley Rowton, Land Management Officer
Tawny Klebesadel, Office Manager

Commissioners Absent:

Ron Tenny, Commissioner (Excused)

Acting Chair Jim Fredrick relayed that the recent Commission resignations are leaving HLBAC a little shorthanded and as of this moment we are without a quorum, so we will not be able to take any official action today, however we will proceed through our agenda. We have three proposed action items and we will hear the staff presentations on them and take any public testimony, so folks don't feel compelled to come back. We will act on a later date, hopefully in the next month or so. We won't be able to approve the agenda or the minutes; let's hear the Director's report.

III. Director's Report

Director Robin Ward reported the HLB Plan is scheduled for a work session in front of the Assembly on February 21st at noon. It's an informal hour-long meeting where the Assembly asks questions. We encourage you to attend. We didn't have very many comments this year during the HLBAC public hearing, so we don't expect a lot of questions this year. We do have some new Assembly members that haven't been through the process and we expect questions from them.

The HLB, in code, is set aside for entitlements and we are getting close to actually receiving one – it's been years. The plat for the area, not quite 10 acres, on the SE corner of Minnesota Drive & 100th Avenue is getting recorded and then we'll get the deed from DNR. It will go directly into the HLB Inventory. We're expecting that to happen this summer. It's an attractive property that is ripe for development now that the roundabouts have been constructed. Acting Chair Fredrick asked about the zoning. Director Ward responded R-1 or R-1A, so it's residential. Commissioner Peggy Looney asked if there were wetlands and Director Ward responded that it is mostly uplands. During construction of 100th Avenue, there was some over excavation and they'll be needing some more wetlands mitigation credits, which HLB will provide a conservation easement using the Laurel Acres property for a stewardship fee that will go into the HLB Fund.

Acting Chair Fredrick asked about the status of the former archives site. Director Ward responded a request for interest for development has been drafted and is being reviewed by Chris Schutte, Office of Economic Development. We're ready to release the RFI to developers. We do expect a lot of interest on that property. We don't want to rezone until we see what people want to do. Currently it is zoned R-3. We may find somebody who wants to leave it as R-3 and want to develop it just like that. We want to hear from developers.

Land Management Officer Shelley Rowton added that we've been working on our mapping application to show management authority of municipal properties.

Commissioner Kati Capozzi called into the meeting and therefore a quorum was established. Acting Chair Fredrick stated now that we've achieved a quorum, let's back up for a minute and moved on to the agenda and minutes approval.

IV. Approval of the February 13, 2020 Agenda and Minutes of December 12, 2019

Commissioner Vicki Gerken moved to approve the agenda. The motion was seconded, and approval of the agenda passed unanimously. Ms. Capozzi moved to approve the meeting minutes of December 12, 2019. The motion was seconded, and approval of the minutes passed unanimously.

Acting Chair Fredrick relayed to Ms. Capozzi that we had the Director's report and she could get that at a later time off record and moved on to action items.

V. Proposed Action Items and Public Hearings:

- a. HLBAC Resolution 2020-01:** A Resolution recommending approval of the disposal by exchange of HLB Parcel 3-076, legally described as Tract 6 Tudor Municipal Campus (Plat 2009-16), and amend the *HLB 2019 Annual Work Program*.

Director Ward reported that she had been working on this project for 14-1/2 years and finally thinks it might happen. This HLB parcel is about 20 acres (indicating on the map). It's heavily treed and mostly uplands; very little wetlands. This parcel was part of our municipal entitlements and it has a deed restriction on it from BLM that requires any use on this property has to be recreational, public type use that would be compatible with the Far North Bicentennial Park (FNBP) Master Plan. So, there is very few uses that would ever be able to be on this parcel, but dog-mushing is one that we've always felt was compatible. BLM is working on agreeing with that, because you can see all of these trails right here (indicating on the map current dog-mushing trails). Where they are today, on Tozier Track, is a 9-acre parcel on Tudor Road – that is a right-in and right-out. The Renaissance Fair also is held on this property every year. They're feeling that now they're surrounded by development, which by the way, they are. They're having more and more complaints about the noise of the dogs. We have regenerated discussions about a land exchange. In this exchange proposal, we would exchange the HLB 20-acre parcel for their 9-acre parcel. You see the summary appraisal reports, the difference would be made up in cash. And the reason why ours is much lower valued is due to the deed restriction – theirs is not. Theirs is PLI (Public Lands & Institutions) land but can be rezoned. Ours is PLI but will always remain PLI due to the deed restriction. We're proposing a land exchange with the difference made up in cash, and that would allow them to rebuild their facilities over here. And allow us then to replat, rezone, sell this property, and recoup the funds that is the cash difference. Acting Chair Fredrick asked where the cash difference would come from and Director Ward responded that we've been saving money in the HLB Fund. The Tozier Track parcel would go into the HLB Inventory and the proceeds of the sale of that property would go back in the HLB Fund. The Alaska Sled Dog Racing Association (ASDRA) has signed a letter of intent to exchange. Their Board is on board. They now have the Roger Hickel Construction quoted cost to replace their facilities and it is within that cash difference. They are very excited about getting started this summer. So what we

would do in that land exchange, is exchange deeds and put the cash difference into an escrow fund for the replacement of their facilities. And they would get a lease back for 18-24 months on the Tozier Track property, so they can stay there as they replace their facilities to move. What this does is give us title to this property, so we can go forward with the platting and rezone. So, as soon as they do move, we're prepared to then sell it to a developer. Acting Chair Fredrick inquired if the eventual intent is to incorporate this into the Tudor-Elmore redevelopment for Dept. Health & Human Services and Director Ward responded not really, it is separate, but it will complement it. Ms. Ward added that she'd met with Planning and this property would probably not be rezoned to B-3 (indicating surrounding B-3SL properties on the map). This would most likely be an R-3A or an R-4A, dense residential with retail partial development in mind. This needs to be transitional between business and residential (indicating residential surrounding properties on the map); so, a mixed-use. Ms. Gerken asked what the value of the improvements would be and Ms. Ward responded they're on the appraisal. Ms. Gerken said she didn't them and Ms. Ward stated we would send the full appraisal report. Their improvements are about 40 years old. So, what it gives them, not only the opportunity to have a new club house, but it will be something they can rent out for events. They're very excited about that. It would be a great place to host weddings. They'll also get a paved parking lot. So, the Renaissance Fair can maybe take the ABATE folks this summer. They can also do a lot of other things. With new facilities, they can have the possibility of additional revenue coming in. They only use it for two months in the wintertime for their sled dog races. They really feel like, if it's built properly, they can use it for events and have additional revenue – they're very excited about this. Ms. Gerken asked about right-in right-out access and Ms. Ward responded yes, off Martin Luther King Avenue; just basically what they have today. Let's see what they valued the improvements; it's the land that has the value. The improvements value is not much. Ms. Gerken inquired if the state would have to concur with the deed restriction. Ms. Ward responded the BLM would have to concur and they would do the deed, on our behalf, with that restriction. Ms. Gerken sought confirmation that this parcel was never part of the FNBP and Ms. Ward confirmed it was not dedicated park and indicated the several tracts that are in the HLB inventory (noting a conservation easement on map). It just has to be recreational or public purpose in support of the park. That's the reason that the ballfield, APD, and the State Crime Lab is there. It all has to be public purpose. Ms. Rowton added that it is in the FNBP Master Plan area, but not part of the dedicated park. Ms. Gerken asked if there were any other available HLB parcels in there and Ms. Ward indicated a 7-acre parcel with 5-1/2 acres that is usable on the map; but it is all wetlands and some of it is about 15' deep. That would be our last remaining parcel of the Tudor Municipal Campus parcels available. Ms. Gerken asked if they were going to replat it and Ms. Ward responded no platting or rezone, but they will have to have a conditional use permit for that use. So, they will have to go through that conditional use permitting process. So, the request is for a disposal through an exchange.

Acting Chair Fredrick asked if there were any other questions for staff, seeing none, opened the public hearing. Seeing no persons wishing to provide testimony, closed the public hearing. Ms. Looney moved to approve, the motion was seconded, and approved unanimously.

This motion: **Passed 4-0**

- b. HLBA Resolution 2020-02:** A Resolution recommending approval of the disposal by competitive bid of HLB Parcel 5-003, legally described as Lot 4 ASLS 97-10 Raspberry Road Municipal Land Selection Site (Plat 1999-102), and amend the *HLB 2019 Annual Work Program & 2020-2024 5-Year Management Plan*.

Ms. Rowton reported that this item appears in the 2020 Annual Work Program and it has appeared in previous Programs as far as entitlement, including a rezone and developing. There is enough interest in this area that we did not feel like it would be imperative that we would do the entitlements. It's zoned R-1 (Single Family Residential), so they could have 5 dwelling units per acre – so, ten single family units. We originally thought a rezone would be beneficial because you have multi-family units next to the north and south of the property (indicating them on the

map). There's enough need and interest for development that felt like it was the right time do so. It is Class C Wetlands and very little value on the individual parcel. There's no definitive connection to any specific water body or watershed.

Acting Chair Fredrick asked if there were any other questions for staff, seeing none, opened the public hearing.

Marion Flowers testified that she has lived on Sunnydale Circle since 1983 when it was all R-1 and was on the original task force when NBA wanted to convert it to commercial property. We had special limitations on that like no liquor stores. They built the Holiday and took them awhile to build that. She's concerned about the previous surcharge being brought in to fill the wetlands. It impacted where we live; there was a lot more water on our land. Over time it has gotten worse. Debenham put in a 4-story and yes, R-1 probably isn't the most ideal for that property but does not want a 4-story. She wants to know more about it before HLBAC makes a determination. So, I hear you're wanting to put more money into the coffers of the muni. Director Ward responded that it's HLB, which is not tax-supported. **Ms. Flowers** stated that the single-family homes that have been there before Northwood Street was built are being eclipsed by these multi-family giant units. **Ms. Flowers** is also concerned about the wetlands, wants the Northwood Street egress and access heavily looked at, and more information before a determination.

Acting Chair thanked her for her point of view, but there would be a public process as this property moves toward development that you and your neighbors would all have input on, at least at the Assembly level. And maybe elsewhere, especially if it were rezoned. It's zoned single family now. But if they wanted to rezone, it would go through the Planning & Zoning Commission (PZC) and the Assembly. There is going to be ample opportunity for you to have your point of view expressed. Director Ward added that today it is single family. An audience member sought clarification if HLB was wanting to rezone the property. Director Ward responded that we are proposing to sell it just the way it is. **Ms. Flowers** stated she understood. An audience member added neighbors would be able to have a say in that.

Acting Chair Fredrick asked if there were any others wanting to provide testimony, seeing none, closed the public hearing. Ms. Gerken moved to approve, and the motion was seconded. Mr. Fredrick asked if there was any discussion before we vote. Ms. Gerken asked what happens if development does not occur in 5 years and Ms. Ward responded it reverts back to us and they get the money back that was paid, with no interest. Ms. Looney added it's similar to the Carol Creek property. Director Ward added it's to prevent land banking; we're already a land bank. This is to address a lack of housing, especially single-family housing right now. We just thought that it was probably time to make this available to the public. We're looking at all our residential property that's in the HLB Inventory. This may be a good time to release residential, especially single-family housing to the general public, but we don't want them to bank it for future use. We do want them to develop it and that's why we use developmental restrictions in the deed. Acting Chair Fredrick asked if there were any more questions. Seeing none, took the vote of the motion on the floor and it passed unanimously.

This motion: **Passed 4-0**

- c. **HLBAC Resolution 2020-03:** A Resolution recommending approval of the disposal of HLB Parcel 6-008, legally described as Lot 19 USS 3202 SEC 10/15 T10N R1W, in Bird Creek.

Ms. Rowton reported the parcel has been for sale a long time located on Whispering Bird Lane with one other vacant undeveloped lot in the area (indicating site on map). It is zoned for residential development at this time. The vacant lot next to it is zoned for Turnagain commercial. So, there is the chance that any purchaser may choose to rezone that, giving it frontage. There are lots in the vicinity that are generally owned by DOT&PF, but separated from the highway, so access would not be directly off the highway unless they gained an easement there. The

property has been for sale for several years; 1st at a minimum bid of \$90K plus appraisal costs. It was later lowered to \$70K. The bids were abysmal; there were no offers during that time. Bids came in for only a fraction of the minimum bid. So, none of those have been pursued at this point. We do have a buyer that approached us and provided a formal written offer and proof of funds. So, we have entered into a letter of intent with a prospective purchaser; a group of 3 individuals and would like to move forward with the sale of this property in some way, however the current AO is written so that we cannot do that without going with that minimum bid of \$70K and we think that offer is much more in line with market value at this point. So, generally we don't put a price in our resolution, but this was done twice for some reason and we're coming back to task with it. If approved, but without that minimum bid, we can go back and negotiate. Director Ward added that she had asked with the Legal Department. Because we are going back to the Assembly, we would put it back out to bid again. So that is very possibly what we will do, but this has to go to the Assembly before we can dispose of the property. Ms. Gerken asked what their offer is. Ms. Ward responded their offer was at \$50K and we believe the market value to be \$50-55K. It is not \$70K unfortunately. Ms. Looney added otherwise it would have sold. Ms. Ward responded yes, and we've had lots of interest over the years, but this is the very first time that we've gotten an offer in 2 years. It's a reasonable offer, so that tell us it's probably close to fair market value. Ms. Gerken asked if it was the same owner that lives adjacent and Ms. Ward responded no. Ms. Gerken asked if they expect to rezone. Director Ward said we don't know if they'll rezone it or not. They may, anyone has that opportunity if they choose to. Mr. Fredrick sought confirmation that is it residential. Ms. Ward affirmed and added it's 2-1/2 acres and contains wetlands, but you can put a single-family structure on it. It's well and septic and there's enough room for that. It won't be anything large; it just doesn't have enough uplands and space for that. Ms. Rowton and Ms. Ward pointed out existing park, development and zoning on the map.

Acting Chair Fredrick asked if there were any other questions of staff, seeing none, opened the public hearing.

Laura Walters testified that she lives next door to the lot and is very concerned with multiple people wanting to buy this piece. I would like to see it go back through the bid process because someone I know has offered more than \$50K, not officially, because officially the minimum bid has been \$70K, and we know it's not worth \$70K. Somebody offered more than \$50K, not officially, didn't come in with the paperwork, but I think their offer would have held if it had been said that it would be considered. I definitely would like to see this go back to bid. I'm very concerned when a group of people are thinking of buying this piece of property; we're all single family on that road. That property does not have direct access to the highway. That easement may be on BLM, but ¾ of that road is on our side of the property. I am very concerned if several individuals want to buy this and want to do commercial. I watched the lot - not next to us, but the next one toward Anchorage was Benny's. It's residential, but the guy came in with a towing business, opened a junk yard, I contacted Enforcement many times, and sent photos. Not once was anything done about the junkyard that started on that piece of property. It mostly got cleaned up due to a divorce recently. There's still a lot of stuff, so I'm very concerned about multiple people buying a residential property. Ms. Rowton added that they are related. **Ms. Walters** stated she is still very concerned, agrees it is not worth \$70K, and thinks it should go back out to bid.

Harley Gehman testified that he lives on Lot 16 and would like to have the same opportunity as someone else bidding on it, if it is going below \$70K. At \$70K it's not worth it, but if it's going below \$70K, then I should be able to bid on it too. I don't see how you could give it to somebody without going out to bid, if you're lowering the bid. I maintain that road and we haven't had a signed agreement in 5 years. **Ms. Walters** added that they all maintain that road. **Mr. Gehman** stated he must buy gravel, plow it and people come up my driveway just looking for that property. HLB is part owner, so I think they should be footing the bill for some of the plowing and maintenance of the road. If you're going to put signs out there and steer the public in there, and I know it's a public easement, but we maintain the road. **Ms. Walters** added ¾ of it is on our parcel. **Mr. Gehman** stated you're getting rid of it, that's fine, but we should be able to bid on it too. **Ms. Walters** stated keep it residential. **Ms. Herr** stated they can't. If somebody wants to change it, there's a public process. Director Ward confirmed it had to go through the PZC and

the Assembly. It goes to the Community Councils, there's lots of public notice during the process. Ms. Rowton showed legal access through a 100' public use easement on the map. **Ms. Walters** stated there may be 100', but the road is on the other side of the dotted line. The road is where it's at, nobody's going to move it. I've told our neighbors the day this tree dies (indicating on the map), this road is going over to where it should be. The entire road clear past his property line is on ours. **Ms. Herr** testified that it should go back to bid. Acting Chair Fredrick asked if there was any other testimony, seeing none, closed the public hearing.

Ms. Looney moved to approve with the understanding that it will go out to bid, the motion was seconded. Director Ward asked if an amendment to the resolution is being asked for and Ms. Looney confirmed. The motion to approve and amend the resolution to go back out to bid passed unanimously.

This motion, as amended: **Passed 4-0**

VI. Appearance Request(s)

Seeing no Appearance Requests, Acting Chair Fredrick moved on to Persons or Items not on the Agenda.

VII. Persons or Items not on the Agenda

Seeing no persons wishing to provide testimony or comments, Acting Chair Fredrick moved on to Commissioner Comments.

VIII. Commissioner Comments

Acting Chair Fredrick asked if there were any individual Commissioner comments, Ms. Looney asked when new Commissioners would be coming on. Ms. Ward responded that we're actively working on it. Hopefully before our next meeting we'll have at least one of those filled. Mr. Fredrick went on to the next scheduled meeting.

IX. Next Meeting

Acting Chair Fredrick stated the next regularly scheduled commission meeting date will be at 11:30am, Thursday, March 12, 2020 in conference room 170 of the Permit & Development Center.

X. Adjournment

Following the completion of business, Ms. Gerken moved to adjourn. The motion was seconded and approved unanimously. The meeting was adjourned at 12:27 p.m.

PASSED and APPROVED on this, the 10th day of September, 2020.

Jim Fredrick, Acting Chair
Heritage Land Bank Advisory Commission

Respectfully submitted for the Heritage Land Bank Advisory Commission by:
Tawny Klebesadel, RED Office Manager

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