

MEMORANDUM

CITY/BOROUGH OF JUNEAU

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TO: CBJ Assembly

FROM: Greg Chaney, Lands and Resources Manager

DATE: June 11, 2014

SUBJECT: Proposals Received Concerning Alternative Uses for the CBJ North Franklin Parking Lot



At the April 7, 2014 CBJ Assembly meeting, the Assembly adopted a motion that gave Lands and Resources staff 30 days to solicit proposals for alternative uses for CBJ's parking lot located at North Franklin and Second Street. Three large advertisements were published in the Juneau Empire on April 13th, April 18th and May 2nd (Attachment 1). The item was also placed on the CBJ website and was picked up by local radio stations.

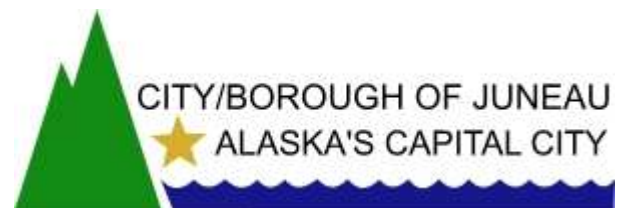
Recently the owner of the Baranof Hotel has expressed interest in this land sale and stated that they were unaware of the request for proposals or the May 8th deadline (Attachment 2).

Lands and Resources staff also hired an appraiser to complete an appraisal of the property (Attachment 3). The property was appraised for \$530,000. The entire appraisal is not included here but is available on the CBJ Lands website.

The Lands Office received several inquiries regarding this land sale, but only one proposal to purchase the North Franklin Parking Lot was received by the CBJ Purchasing Department by the May 8th deadline (Attachment 4). This application was from Steve Soenksen, of Juneau Legacy Properties LP, proposing to purchase the CBJ North Franklin Parking Lot, for the purpose of constructing 29 units of workforce housing. The proposal also included a 990 square foot commercial space and 22 parking spaces on the ground floor.

A committee composed of staff from the Lands and Resources, Parks and Recreation and Community Development Departments evaluated the Juneau Legacy Properties proposal. The following criteria were considered:

- **Positive Impact on Housing**
- **Potential to Provide Other Street Level Uses**
- **Parking Management Strategies**
- **Overall Concept Design Quality**



Potential Points	Evaluation Criteria	JLP Proposal
40	Positive Impact on Housing	24
30	Potential to Provide Other Street Level Uses	11
20	Parking Management Strategies	10
10	Overall Concept Design Quality	5
100	Total	50
	Score = 50	

Discussion

Positive Impact on Housing

The total number of units, along with the relative size of the units, helps to determine the overall supply of housing for the downtown area. A mix of unit sizes was considered most desirable. Given the lot size, a six story structure was considered a realistic maximum without utilizing exotic construction techniques. If all floors were dedicated to a mix of housing types, a 60 unit apartment structure could realistically be built on the site. It is also important to note that while more stories could be built, higher stories become proportionally more expensive to construct.

Juneau Legacy Properties proposed 29 residential units. The proposal included 6 two bedroom apartments, 15 one bedroom apartments and 8 efficiency units. This would be a significant contribution to housing downtown but is less than the site's maximum potential.

Other Street Level Uses

If the entire first floor of the building were dedicated to a commercial use, it would be possible to have roughly 6,500 square feet space facing both North Franklin and Second Streets. Parking could be located on the second floor or possibly underground. If a parking entrance leading to another floor was located on this level, space available for commercial use would be reduced but this layout would create the maximum street level commercial presence for this lot.

Juneau Legacy Properties proposed 990 square feet of retail on the ground floor, primarily facing North Franklin Street. The review committee felt that more space should be made available on the ground floor for uses other than parking.

Parking Management Strategies

Many options were available for this issue including offsite parking or paying a fee in lieu of providing parking spaces. The Baranof Hotel located across the street, currently leases parking from the CBJ for their guests. The parking lot is utilized by the local community and supplies parking in this region of town.

Based on Juneau Legacy Properties' proposal to provide 29 apartments and 990 square feet of commercial space, approximately 14 parking spaces would be the minimum required by the Land Use Code. The applicant proposed to provide 22 parking spaces in a ground level parking facility. This provides 8 more parking spaces than code minimum for this area; however, it is likely that this parking supply would only accommodate the building's occupants and visitors. Local demand for parking that is currently being met by this parking lot would be displaced by the proposed development and was not addressed.

The review committee strongly recommended that the parking entrance be relocated to the Second Street frontage and that the parking facility be built on the second floor or underground. This would allow for significantly more commercial space to be available on the street level.

Design Quality

Juneau Legacy Properties submitted a concept proposal which was not intended to be utilized as a completed design. The evaluation committee understood that the applicant did not want to expend unnecessary funds but felt that the design was so conceptual that a more complete design would be needed before fully committing the CBJ to the Juneau Legacy Properties proposal. In particular the committee felt that an elevation or side view of the building and preliminary dimensions would have been helpful.

The committee felt that additional design features could have been considered. The applicant did not outline any rooftop uses or balconies that could have provided outdoor opportunities for residents. More commercial frontage on North Franklin Street would have been desirable. There was no mention of potentially preserving part of the mural that abuts the uphill property line. Another minor issue expressed was the desirability of having laundry facilities in individual apartments rather than communal laundry mats. Since most apartments directly faced the Baranof Hotel, it did not appear that the design oriented the majority of the units toward potential views.

Conclusion

Obviously it is extremely difficult, if not impossible, to design and build an apartment building that would rent for current market rates and have a large number of amenities however, the

primary concern expressed by evaluation committee members was that the majority of the ground floor was designated for parking and would reduce the potential for an active commercial neighborhood to extend up North Franklin Street. Parking could be located on the second floor or possibly underground.

Since the CBJ Assembly initiated the request to solicit proposals to explore the concept of selling the property for the purpose of building a multifamily housing project, the CBJ is not obligated to accept this proposal. It would be reasonable for the CBJ to retain ownership of the property to continue to lease parking, build a multi-story parking structure or utilize as the site for a future CBJ office building.

Recommendation

Lands Staff recommends that prior to the CBJ entering into any formal contract with Juneau Legacy Properties, a more complete set of plans (that utilizes the ground floor for commercial space) is needed.

Lands Staff also recommends that if the proposal is accepted, sale of the property would include a performance requirement stipulating that if the structure was not completed within a realistic timeframe, the property would revert to CBJ ownership.

At the June 2nd 2014 Assembly Lands Committee meeting, the Committee adopted a motion to forward the proposal from Juneau Legacy Properties to the full Assembly with a recommendation that the CBJ complete the sale.