

State of Alaska  
Department of Natural Resources  
Division of Mining, Land and Water



- |  |   |   |   |
|--|---|---|---|
| <input type="checkbox"/> Land Sales and Contract Administration<br>550 W 7th Ave., Suite 640<br>Anchorage, AK 99501-3576<br>(907) 269-8594 | <input type="checkbox"/> Northern Region<br>3700 Airport Way<br>Fairbanks, AK 99709<br>(907) 451-2740 | <input type="checkbox"/> Southcentral Region<br>550 W 7th Ave., Suite 900<br>Anchorage, AK 99501-3577<br>(907) 269-8552 | <input type="checkbox"/> Southeast Region<br>400 Willoughby, #400<br>P.O. Box 111020<br>Juneau, AK 99811-1021<br>(907) 465-3400 |
|--|---|---|---|

**RECEIVED:**  
**(DATE STAMP)**

**APPLICATION FOR PUBLIC AND CHARITABLE USE**  
**PURCHASE OF STATE LAND**  
**AS 38.05.810**

\_\_\_\_\_ Date \_\_\_\_\_ ADL# \_\_\_\_\_  
(Assigned by DNR)

**APPLICANT INFORMATION**

Applicant's Name (please print): \_\_\_\_\_ City and Borough of Juneau  
Name of applicant's representative (please print): \_\_\_\_\_ Duncan Rorie Watt  
Mailing Address: \_\_\_\_\_ 155 South Seward Street  
City: \_\_\_\_\_ Juneau State: AK Zip code: \_\_\_\_\_  
Message Phone: ( 907 ) 586-0224 Work Phone: ( 907 ) 586-0224 Cell phone: ( )  
E-Mail: \_\_\_\_\_ Lands\_Office@Juneau.org Fax: ( )

If the applicant is a non-profit corporation, is it registered and licensed in Alaska and presently in good standing?  Yes  No.

If the applicant is a non-profit corporation, is it tax-exempt under federal law?  Yes  No.

*If the applicant is a non-profit corporation, please attach a copy of the non-profit corporation's State of Alaska business license, a resolution or other document authorizing the individual listed above to represent the non-profit corporation, and a copy of the non-profit corporation's federal tax-exempt certification (e.g., 501(c)(3) certification). APPLICATIONS CANNOT BE ACCEPTED WITHOUT THIS DOCUMENTATION. THE STATE AT THIS TIME CANNOT ACCEPT APPLICATIONS FROM A TRUST.*

Are you currently in default on, or in violation of, any purchase contract, lease, permit or other authorization issued by the Department of Natural Resources under AS 38.05?  Yes  No.

Within the past three years, has the Department of Natural Resources foreclosed or terminated any purchase contract or lease issued to you by the department?  Yes  No.

**PROPERTY INFORMATION** [SEE ATTACHED](#)

Legal Description: Lot(s) \_\_\_\_\_ Block/Tract \_\_\_\_\_ Name of subdivision \_\_\_\_\_

Survey # \_\_\_\_\_ Recorded plat # \_\_\_\_\_ Recording District \_\_\_\_\_

Meridian: Copper River  Seward  Fairbanks  Umiat  Kateel River

Township(s) 41S North  South  Range(s) 67E East  West  Section(s) 23 Acres 3.56

Township(s) \_\_\_\_\_ North  South  Range(s) \_\_\_\_\_ East  West  Section(s) \_\_\_\_\_ Acres \_\_\_\_\_

Borough, municipality or community: City and Borough of Juneau

General geographic location (water body, landmark): Downtown parking Garage, Downtown Transit Center, Telephone Hill

Attach a survey, USGS map or other map and accurately indicate the location of the land you are applying to purchase.

Are there improvements on the land?  Yes  No If Yes, who owns the improvements?: \_\_\_\_\_

Describe the improvements and when they were built: \_\_\_\_\_

Is the land applied for subject to any existing leases  Yes  No or permits  Yes  No?

If Yes, the name(s) the lease or permit is issued under: \_\_\_\_\_ ADL/LAS # \_\_\_\_\_

**PUBLIC AND CHARITABLE USE INFORMATION**

Check the statutory authority below under which you are applying.\* You can only check one. See the attached **PUBLIC AND CHARITABLE USE CASES: PROCESS AND STATUTORY REQUIREMENTS** for more detailed information.

- AS 38.05.810(a)(1):** sale of state land to a state or federal agency or political subdivision
- AS 38.05.810(a)(2):** sale of coal deposits to a qualified public utility
- AS 38.05.810(a)(3):** sale of state land to a tax-exempt non-profit corporation, association, club, or society organized and operated for the management of a cemetery or a solid waste or other public facility
- AS 38.05.810(a)(4):** Sale of land within a state subdivision to a subdivision's nonprofit, tax-exempt homeowner's association
- AS 38.05.810(e):** sale of state land to a licensed public utility or licensed common carrier.

What is the intended use of the property? The City intends to develop the property to support the Capitol campus, State Government, and private development.

What improvements do you plan to construct on the property? \_\_\_\_\_

The application must be accompanied by the \$100.00 application fee. This fee is NON-REFUNDABLE and NON-TRANSFERABLE. There are 2 additional forms required to be submitted with this application: Agreement to Bear Costs and Applicant Environmental Risk Questionnaire. Both of these forms are attached and must be completed, signed by the applicant(s) and returned with this application form. **Incomplete applications will not be accepted.**

In signing this application, the applicant(s) hereby attest(s) that the information herein provided is true and correct to the best of the applicant(s)' knowledge. False or incorrect information may result in the application being rejected; the application fee will not be returned.

\_\_\_\_\_  
Signature of authorized representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

**NOTICE TO APPLICANT:**

\* For applications filed by a municipality under AS 38.05.810, if there is a remaining municipal entitlement under AS 29.65, the municipality may be required to file an application for a municipal entitlement instead, or the land transferred under AS 38.05.810 shall be credited toward fulfillment of the entitlement.

\* The filing of this application and payment of the filing fee vests the applicant with no right or priority in the lands applied for. It is merely an expression of the desire to purchase a parcel of land when and if it becomes available. Filing an application serves the purpose of notifying the state that an individual is interested in purchasing land. It is not a claim, nor does it in any way obligate the state to sell land.

\* AS 38.05.035(a) authorizes the director to decide what information is needed to process an application for the sale of state land. This information is made a part of the state public land records and becomes public information under AS 40.25.110 and AS 40.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a)(9) and confidentiality is requested, or under AS 45.48). Public information is open to inspection by you or any member of the public. A person who is the subject of the information may challenge its accuracy or completeness under AS 44.99.310, by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. False statements made in an application for a benefit are punishable under AS 11.56.210.

**Legal Descriptions:**

All the properties are within **Section 23, Township 41S, Range 67E, Copper River Meridian.**

Lot 1, Block 6, Juneau Townsite

Lot 2, Block 6, Juneau Townsite

Lot 3, Block 6, Juneau Townsite

Lot 6, Block 6, Juneau Townsite

Lot 7, Block 6, Juneau Townsite

Lot 8, Block 6, Juneau Townsite

Lot 3, Block D, Juneau Townsite

Lot 4, Block D, Juneau Townsite

Lot 5, Block D, Juneau Townsite

Lot 6, Block D, Juneau Townsite

Lot 2, Block E, Juneau Townsite

Lot 3, Block E, Juneau Townsite

Lot 5, Block E, Juneau Townsite

Lot 6, Block E, Juneau Townsite

Lot 7, Block E, Juneau Townsite

Fractions of Lot 7, Block 1, Juneau Townsite

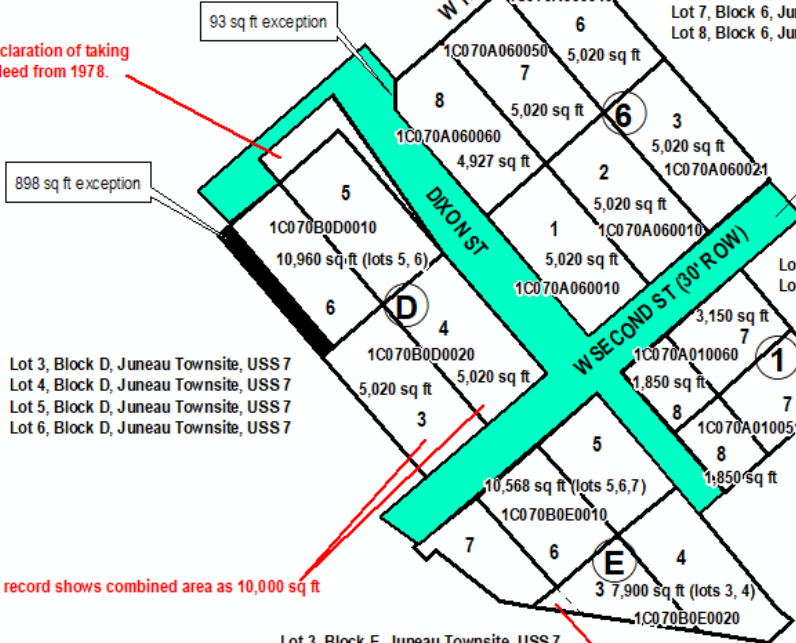
Fractions of Lot 8, Block 1, Juneau Townsite

Downtown Transportation Center Tract A

**Juneau Townsite  
USS 7**

- Lot 1, Block 6, Juneau Townsite, USS 7
- Lot 2, Block 6, Juneau Townsite, USS 7
- Lot 3, Block 6, Juneau Townsite, USS 7
- Lot 6, Block 6, Juneau Townsite, USS 7
- Lot 7, Block 6, Juneau Townsite, USS 7
- Lot 8, Block 6, Juneau Townsite, USS 7

Area shown on declaration of taking and described in deed from 1978.



Former ROW area = 21,100 sq ft

- Lot 3, Block D, Juneau Townsite, USS 7
- Lot 4, Block D, Juneau Townsite, USS 7
- Lot 5, Block D, Juneau Townsite, USS 7
- Lot 6, Block D, Juneau Townsite, USS 7

- Lots 7 Fraction & 8 Fraction, Block 1, Juneau Townsite, USS 7
- Lots 7 Fraction & 8 Fraction, Block 1, Juneau Townsite, USS 7

Dixon and Second Streets were paid for as part of the Condemnation and thus no longer exist as ROWs, this is a single parcel

CBJ Govern record shows combined area as 10,000 sq ft

- Lot 3, Block E, Juneau Townsite, USS 7
- Lot 4, Block E, Juneau Townsite, USS 7
- Lot 5, Block E, Juneau Townsite, USS 7
- Lot 6, Block E, Juneau Townsite, USS 7
- Lot 7, Block E, Juneau Townsite, USS 7

Small triangle fraction was originally platted as Lot 2. Was it consolidated with Lot 3?





State of Alaska DOT/PF

SOA Dept. of Admin  
Gen Services

STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF MINING, LAND AND WATER

**Land Conveyance Section**  
550 W 7th Ave., Suite 640  
Anchorage, AK 99501-3576 (907)  
269-8594

**Northern Region**  
3700 Airport Way  
Fairbanks, AK 99709  
(907) 451-2740

**Southcentral Region**  
550 W 7th Ave., Suite 900C  
Anchorage, AK 99501-3577  
(907) 269-8552

**Southeast Region**  
P.O. Box 111020  
Juneau, AK 99801  
(907) 465-3400

**APPLICANT ENVIRONMENTAL RISK QUESTIONNAIRE**

The purpose of this questionnaire is to help clarify the types of activities you propose to undertake. The questions are meant to help identify the level of environmental risk that may be associated with the proposed activity. The Division of Mining, Land and Water's evaluation of environmental risk for the proposed activity does not imply that the parcel or the proposed activity is an environmental risk from the presence or use of hazardous substances.

Through this analysis, you may become aware of environmental risks that you did not know about. If so, you may want to consult with an environmental engineer or an attorney.

City and Borough of Juneau	City and Borough of Juneau
Applicant's Name	Doing Business As
155 South Seward Street	Juneau
Address	City
( 907 ) 586-0224	AK
( 907 ) 586-0224	99801
Lands_Office@Juneau.org	State
E-Mail	Zip
Dan Bleidorn	Contact Person
Message Phone	Work Phone

Describe the proposed activity:

The City intends to develop the property to support the Capitol campus, State Government, and private development.

---



---



---



---



---

In the course of your proposed activity will you generate, use, store, transport, dispose of, or otherwise come in contact with toxic and/or hazardous materials, and/or hydrocarbons? Yes  No

If yes, please list the substances and the associated quantities. Use a separate sheet of paper, if necessary.

The Property Disposal Directive Report indicates that structures located on this site may contain asbestos.

---



---



---



---



---

If the proposed activities involve any storage tanks, either above or below ground, address the following questions for each tank. Please use a separate sheet of paper, if necessary, and, where appropriate, include maps or plats:

a. Where will the tank be located? N/A

b. What will be stored in the tank? N/A

c. What will be the tank's size in gallons? N/A

d. What will the tank be used for? (Commercial or residential purposes?) N/A

e. Will the tank be tested for leaks? N/A

f. Will the tank be equipped with leak detection devices? Yes  No . If yes, describe: N/A

Do you know or have any reason to suspect that the site may have been previously contaminated? Yes  No .

If yes, please explain: \_\_\_\_\_

I certify that due diligence has been exercised and proper inquiries made in completing this questionnaire, and that the foregoing is true and correct to the best of my knowledge.

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Date

AS 38.05.035(a) authorizes the director to decide what information is needed to process an application for the sale or use of state land and resources. This information is made a part of the state public land records and becomes public information under AS 40.25.110 and 40.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a)(9) and confidentiality is requested). Public information is open to inspection by you or any member of the public. A person who is the subject of the information may challenge its accuracy or completeness under AS 44.99.310, by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. False statements made in an application for a benefit are punishable under AS 11.56.210.



**State of Alaska**  
**Department of Natural Resources**  
**Division of Mining, Land and Water**  
*Land Conveyance Section*



---

550 West 7<sup>th</sup> Avenue, Suite 640  
Anchorage, AK 99501-3576  
Voice: (907) 269-8594 Fax: (907) 269-8916

**RECEIVED:**  
**(DATE STAMP)**

**PREFERENCE RIGHTS/PUBLIC AND CHARITABLE USE**  
**PURCHASE OF STATE LAND**  
**AGREEMENT TO BEAR COSTS**

ADL No.: \_\_\_\_\_  
(assigned by DNR)

I (we), the undersigned applicant(s), do hereby agree to bear the costs of public notice, survey and appraisal, as may be required, in order to purchase the state land that is the subject of this application. These costs are in addition to the purchase price of the subject land.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
The City and Borough of Juneau  
If applying on behalf of a governmental agency,  
municipality, business or organization, please enter  
its name here and your position title

\_\_\_\_\_  
City Manager  
Title





City and Borough of Juneau  
City & Borough Manager's Office  
155 South Seward Street  
Juneau, Alaska 99801  
Telephone: 586-5240 | Facsimile: 586-5385

---

TO: Department of Transportation and Public Facilities (DOT&PF)  
Commissioner John McKinnon  
and  
Department of Natural Resource  
Commissioner Corri Feige

FROM: Rorie Watt, City and Borough of Juneau Manager

DATE: July 20, 2020

RE: Application for Public and Charitable Use Purchase of State Land –  
Supplemental Information

**The City and Borough of Juneau (CBJ), an incorporated city of the State of Alaska, hereby applies to the State for acquisition of a number of properties collectively known as the Telephone Hill property.** The CBJ desires to acquire the Telephone Hill property with the goal of developing the property to support the Capitol campus, State Government, and private development. The Property Disposal Directive Report released by the Governor's Office on June 6, 2019 listed this property as one to consider for divestment by the State.

**A. STATE AUTHORITY TO TRANSFER PROPERTY TO THE CBJ FOR A PUBLIC PURPOSE**

The Department of Natural Resources (DNR) has statutory authority to convey the entire Telephone Hill Property to the CBJ for a Public Purpose pursuant to AS 38.05.810(a) which provides in relevant part as follows:

(a) Except as otherwise provided in AS 38.05.183(h), the (1) lease, sale, or other disposal of state land or resources may be made to a state or federal agency or political subdivision, .... for less than the appraised value as determined by the director and approved by the commissioner to be fair and proper and in the best interests of the public, with due consideration given to the

nature of the public services or function rendered by the applicant, and of the terms of the grant under which the land was acquired by the state. The commissioner shall ensure, by regulation, deed restriction, covenant, or otherwise, that disposals of land under this subsection serve a public purpose and are in the public interest.

## B. BACKGROUND AND FACTS

In 1984, the CBJ and State of Alaska, through DOT&PF, entered into a Cooperative Use Agreement for the Telephone Hill property in question pursuant to AS 44.42.020.

The State of Alaska has held the telephone hill properties under cooperative management with the CBJ for about 35 years, amending that agreement in the mid 2000's. The State has determined it no longer has compelling public purpose to retain those lands, absent some parking needs for state facilities. CBJ and SOA have worked together to enhance the existing Capital building and by acquiring and renovating adjacent supportive facilities.

The homes on Telephone Hill are aged and the land is not being used for highest and best use, resulting in a failure to lead to economic development in the State. The Governor has identified economic development as a high priority goal for his Administration. As long-term management partner for the Telephone Hill properties, CBJ supports the goal of economic development of these properties and requests that the State convey the property to advance the shared goals of CBJ and the Administration.

CBJ understands that the State desires to maintain use of the surface parking lot for state facility purposes and is willing to own and lease back the surface parking to SOA at no cost until such time as CBJ is able to develop newer structured or surface parking on the site or at another nearby location.

## C. CASE FOR TRANSFERRING TELEPHONE HILL PROPERTY TO CBJ

- In 1984 CBJ entered into a MOA with the State pursuant to which it provided \$2M to SOA to acquire Telephone Hill properties for possible siting of a new state Capitol. DOT is now in the process of disposing the property by transfer to DNR.
- To improve state government operations in the capital, the CBJ has pursued development of a Capitol campus, supporting acquisition and improvements to the Capitol itself, the Terry Miller Building, the Scottish Rite Temple and other properties.

- The Juneau Community Foundation has independently pursued the goal of improving the Capitol campus by purchasing and donating the B.M. Behrends house to the State as a residence for the Lieutenant Governor, by paying for improvements to the Capitol Building, and by acquiring capital equipment for Gavel Alaska.
- CBJ is well positioned to explore private development options. CBJ is uniquely situated to consider long term land financing, tax abatement and other financial support mechanisms that could facilitate private development or a private/public partnership.
- The CBJ designed and built the parking facility so it could incorporate two additional floors; additional parking could facilitate public and/or private hill development. Solving parking is a key to leveraging private investment.
- The CBJ does not seek reimbursement of the \$6.4M (the present value of the initial 1984 city contribution). The CBJ prefers instead to work with the State to advance both parties' interests.
- CBJ would be able to accept the property as is, where is.
- In the most recent Master Lease between the DOT and the Neighborhood, the SOA agreed to a preference right to a purchase by the Neighborhood *unless* the properties are leased/sold/conveyed to the State or a political subdivision or for the development of a public purpose.

#### D. PRELIMINARY TERM SHEET FOR DISCUSSION PURPOSES

1. The parties would negotiate a sale of the Telephone Hill property by the State to the CBJ pursuant to AS 38.05.810 and CBJ 53.04.030.
2. Because CBJ would acquire the property for the purposes of supporting the Capitol campus and State and local Government and private development and for the reason given below, conveyance of all of the property to CBJ would be at no cost pursuant to AS 38.05.810 (a), subject to the above described parking reservation.
3. Disposal of the Telephone Hill Property to the CBJ will relieve the State of a \$6.4 Million debt owed to the CBJ pursuant to a cooperative agreement
4. CBJ would accept the property as is, where is, including existing leases. Transfer of the property to the CBJ would also obviate the need for re-platting

streets, or relocating utility easements. Avoiding these complexities would accelerate the transfer of the property by six months or more.

5. CBJ would not require an inventory of hazardous materials (primarily asbestos) and heating fuel storage tanks and would not seek to avoid liability for hazardous material and fuel oil tank removal and oil cleanup. CBJ would accept the property as is, where is.
6. In 2008 CBJ and the State amended the Cooperative Use Agreement and started the process of transferring the land to CBJ, a process that has not been completed. CBJ built the parking garage and transit center and has provided a floor of parking to the State at no cost ever since. This arrangement with the State would continue.

#### E. COMMENCEMENT OF NEGOTIATIONS.

The CBJ requests a review of this application by DOT and DNR at your earliest convenience. Please advise the CBJ Manager of additional information, if any, that may be needed to complete the application. Please also advise the CBJ Manager of the steps to be taken to progress and finalize this transaction and the schedule for doing so.

**ASSEMBLY COMMITTEE OF THE WHOLE**  
**December 2, 2019, 6:00 p.m.**  
Assembly Chambers - Municipal Building  
Assembly Work Session - No Public Comment

***MINUTES***

**I. ROLL CALL**

Deputy Mayor Maria Gladziszewski called the meeting to order at 6:00 p.m. in the Assembly Chambers.

Assemblymembers Present: Maria Gladziszewski, Loren Jones, Rob Edwardson, Wade Bryson, Michelle Hale, Carole Triem, Alicia Hughes-Skandijs, Greg Smith and Mayor Beth Weldon.

Assemblymembers Absent: None.

Staff present: City Manager Rorie Watt, City Attorney Robert Palmer, Municipal Clerk Beth McEwen, Deputy Manager Mila Cosgrove, Finance Director Jeff Rogers, Assistant City Attorney Teresa Bowen, Assistant City Attorney Emily Wright, Library Director Robert Barr, Parks and Recreation Director George Schaaf, Lands Director Greg Chaney, Deputy Lands Director Dan Bleidorn, Community Development Director Jill Maclean, Planning Manager Alexandra Pierce

**II. APPROVAL OF AGENDA**

Hearing no objection, the agenda was approved as presented.

**III. APPROVAL OF MINUTES**

**IV. AGENDA TOPICS**

**A. Mendenhall Loop Road Project**

Mr. Watt explained that last Monday at the regular Assembly meeting, there had been items that should have been included in the Assembly packet that were not and that led to them getting off course on the issue of the Mendenhall Loop Road Project. He said that the right information would have included the materials resulting from the Planning Commission (PC) having reviewed the project in June 2019. Not only was the information not included in the Assembly packet but when the Planning Commission reviewed the project, staff should have then forwarded that information to the Assembly during the summer so that if the Assembly did not like the Planning Commission's decisions that it made, there would have been time for the Assembly to weigh in on the issue. State statute requires that we notify them within 90-days if we object to the project. By the time it got to the Planning Commission there was at least one month or possibly more had gone by. The Assembly then would have had their opportunity to

### **C. Blueprint Downtown**

Mr. Watt explained that the packet contained a memo from Community Development Department (CDD) staff about the Blueprint Downtown project. The timeline is on the last page of the memo. The Assembly should expect to see this coming to them sometime in late spring 2020. He said that Ms. Maclean and Ms. Pierce were present in the audience if the Assembly had any questions.

The Assemblymembers asked when the next meeting of the Blueprint Downtown Steering Committee was. Ms. Pierce said that the next meeting is scheduled for December 12 at 6p.m. in the Assembly Chambers.

### **D. Telephone Hill Update**

Mr. Watt provided two handouts regarding Telephone Hill.

The first handout was prepared by State DOT – “Department: Transportation & Public Facilities – South Coast Region” and the second was a map from our GIS system showing a better map of the properties than that shown in the DOT handout.

Mr. Watt said that DOT has been asked by the Governor’s economic development team to identify under-utilized properties that could lead to economic development in the state and this is part of that effort.

Mr. Watt gave brief history of the property. Telephone Hill was identified by the Heery Report in the late 1970s as the location for where a new Capitol Building would go. That then led to the city and state working together to get the funds to acquire the property. The city appropriated \$2 Million to the state and the state then used our funds with state funds to acquire, some with purchase and some through eminent domain, all the properties showing in the yellow and red areas of the map he handed out.

Mr. Watt explained that the state fell on harder economic times in the 1980s so the building of a new Capitol Building was not likely. There were several attempts after that, mainly led by CBJ to look at building a new Capitol Building. The property fell under a joint use management agreement between the city and the state.

In approximately 2007, as CBJ was undertaking the planning for the Downtown Transit Center (DTC), the Assembly passed an ordinance which formalized the agreement with more detail especially with regard to the properties identified in the red box on the GIS map. He said they have made preliminary contact with the state as it is an important issue and an important piece of land, approximately 2.5 acres or more.

Mr. Watt said it is a very large parcel of land and he has made contact with the governor’s economic team about the property. At root level, the state has identified it as underutilized property and an opportunity for economic development and he thinks they are right. That is not to say that seven homes in downtown Juneau isn’t insignificant. He said that the solution of the state to rent these properties has gone on for approximately

35 years and while some have been kept up, some of the homes have not been maintained well and have building maintenance needs.

Members asked staff a number of questions regarding ownership, and if CBJ would have first right of refusal and what potential litigation might be involved.

Mr. Watt and Mr. Palmer answered questions and said that everything is in the beginning stages of discussions with the state and many of the issues are subject to legal review and interpretation at this time.

## **V. ADJOURNMENT**

There being no further business to come before the committee, Ms. Gladziszewski adjourned the meeting at 8:41 p.m.

Respectfully Submitted,

Elizabeth J. McEwen, MMC  
Municipal Clerk