



ASSEMBLY COMMITTEE OF THE WHOLE AGENDA

January 29, 2024 at 6:00 PM

Assembly Chambers/Zoom Webinar

Assembly Committee of the Whole Worksession - No Public Testimony will be taken.

<https://juneau.zoom.us/j/95424544691> or 1-253-215-8782 Webinar ID: 954 2454 4691

A. CALL TO ORDER

B. LAND ACKNOWLEDGEMENT

We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!

C. ROLL CALL

D. MANAGER'S REQUEST FOR AGENDA CHANGES/APPROVAL OF AGENDA

E. APPROVAL OF MINUTES

- [1.](#) **March 6, 2023 Assembly Committee of the Whole Draft Minutes**
- [2.](#) **April 3, 2023 Assembly Committee of the Whole Draft Minutes**
- [3.](#) **April 24, 2023 Assembly Committee of the Whole Draft Minutes**
- [4.](#) **December 2, 2023 Assembly Retreat Draft Minutes**

F. AGENDA TOPICS

- [5.](#) **Overview of the Juneau School District (JSD) Deficit**
- [6.](#) **Results from the Request for Information (RFI) on Lease Space for CBJ Offices**
- [7.](#) **Xunaa Borough Annexation Petition - CBJ comments to Local Boundary Commission**
8. **Legislative Capital Priorities List**

[Please see the documents provided in the 1/25/2024 Assembly Worksession with Legislative Delegation packet.](#)

[9.](#) **Juneau Affordable Housing Fund - Ordinances 2023-14(b)(U) and 2023-14(b)(V)**

Ordinances 2023-14 (b)(U) and Ordinance 2023-14(b)(V) were introduced at the January 8, 2024 Assembly meeting, referred to the COW and set for Public Hearing (pending COW action) at the February 5, 2024 Assembly meeting.

Ordinance 2023-14(b)(U) *An Ordinance Appropriating \$900,000 to the Manager for a Loan to Coogan Alaska, LLC for the Island Hills Building LMN Project; Funding Provided by the Affordable Housing Fund.*

Ordinance 2023-14(b)(V) *An Ordinance Appropriating \$2,250,000 to the Manager for a Loan to Chilkat Vistas, LLC for Chilkat Vistas Apartments; Funding Provided by the Affordable Housing Fund.*

G. IF TIME ALLOWS

- [10.](#) **Formalizing the Juneau Affordable Housing Fund Guidelines**

11. Assembly Goals/Retreat Follow-up

This includes a report from CDD Director Lawhorne on the plan for Title 49 changes and Tourism Manager Pierce on Tourism Management.

H. NEXT MEETING DATE - February 12, 2024; 5:30p.m. Chambers/Zoom

I. SUPPLEMENTAL MATERIALS

12. Attachment B to Options for Land Use Code Regulatory Changes (11"x17" size paper)

13. JSD Budget Overview Presentation to Assembly COW

14. Area D - Map for Annexation Agenda Topic

J. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.gov.

ASSEMBLY COMMITTEE OF THE WHOLE WORKSESSION **DRAFT** MINUTES



March 06, 2023 at 6:00 PM

Assembly Chambers/Zoom Webinar/YouTube Livestream

A. CALL TO ORDER

Deputy Mayor Maria Gladziszewski called the meeting to order at 6:00p.m. in the Assembly Chambers. Due to technical difficulties experienced at the beginning of the meeting, the Land Acknowledgement, Roll Call, and Approval of the Agenda were not part of the Zoom recording of the meeting.

B. LAND ACKNOWLEDGEMENT

C. ROLL CALL

Assemblymembers present: Mayor Beth Weldon (via Zoom), Deputy Mayor Maria Gladziszewski, Carole Triem, Greg Smith, Wade Bryson, Alicia Hughes-Skandijs, Christine Woll, 'Wáahlaal Gíidaak, and Michelle Hale (via Zoom)

Assemblymembers absent: None

Staff Present: City Manager Rorie Watt, Deputy Manager Robert Barr, City Attorney Sherri Layne, Municipal Clerk Beth McEwen, Deputy Clerk Andi Hirsh, Lands Manager Dan Bleidorn, Finance Director Jeff Rogers, Assistant City Attorneys Adam Gottschalk and Benjamin Brown, Parks and Recreation Director George Schaaf, Tourism Manager Alix Pierce

D. APPROVAL OF AGENDA

The agenda was approved as presented.

E. AGENDA TOPICS

1. Broadband Access/Digital Equity Presentation by Rasmuson Foundation

State of Alaska Department of Commerce, Community and Economic Development Alaska Broadband Office Tribal Liaison Melissa Kookesh gave a presentation on Broadband and Digital Equity. The Federal Infrastructure and Jobs Act passed by Congress and the State House Bill 363 passed during the last session created the Alaska Broadband Office. Their office is charged with providing "Internet for All" and they are partnering with the Rasmuson Foundation, the Alaska Municipal League, and other agencies to provide access to high-speed reliable broadband to all Alaskan citizens.

The goal of the initiative is to provide digital equity at affordable prices through a transparent process that engages communities and results in a strong governance structure. Each state is charged with identifying barriers to digital equity and strategies for overcoming those barriers. It is anticipated that there will \$400-550 million dollars available in federal funds for Alaska broadband.

The Broadband Access Office is developing Alaska's Digital Equity plan; they anticipate it will take approximately five years to develop and implement. The statewide vision for the plan is to build a digital equity framework and scorecard, develop plans for digital literacy innovation programs, propose technology-related apprenticeship or other workforce opportunities, integrate with the State's Economic Development Strategy, and take steps to implement the Digital Equity Plan.

The populations covered by the plan include low-income individuals (at or below 150% of the poverty level), individuals aged 60 or older, veterans, individuals with disabilities, individuals with a language barrier, members of a racial or ethnic minority group, rural Alaskans, and incarcerated individuals outside of a federal facility.

The roll out includes listening sessions, public presentations, open public comment processes, raising awareness using social media, email, and other media through local advertisements, public service announcements and news articles. They also are partnering with institutions to help distribute information and to host listening sessions. Most listening sessions will occur between October 2022 – April 2023. Ms. Kookesh highlighted events such as the upcoming Gold Medal Basketball tournament as prime opportunities to engage with residents.

Ms. Kookesh said that they will be hosting two local listening sessions within the week, one for the public and one for agency representatives to help them in their asset inventory. She encouraged CBJ Assemblymembers and staff to help get the word out into the communities about these efforts and to provide her with contact information for community connections that their office should be reaching out to.

Ms. Kookesh then answered questions and suggestions from Assemblymembers.

Ms. Woll suggested she may want to reach out to the CBJ public libraries as one of the community connections and Ms. Hale suggested that she may want to be in contact with the CBJ Commission on Aging.

Ms. Hale and Ms. Kookesh spoke to the Affordable Connectivity Program and Ms. Kookesh said that she worked with AML to apply for that program so that it could be made available to all eligible Alaskans. The Affordable Connectivity Program subsidizes \$75 for the internet connection to your home or other device for low-income individuals, students, and others who qualify. Ms. Kookesh assisted her mother in applying for the grant, which she eventually received; she was also eligible for the lifeline program at \$1/month.

Ms. Kookesh answered additional questions related to the unique challenges to Alaska. She spoke about a range of connectivity methods such as fiberoptic, microwave, and satellite methods and the pros and cons of each.

Ms. Triem and Ms. Kookesh spoke about the FCC mapping challenge project and how many Alaskan communities or portions of community were missed in the initial mapping project. Ms. Triem said that she would like CBJ to get involved in the listening sessions, at least to promote the grant program application process.

Ms. Kookesh said that she sees millions of dollars coming to Alaskan citizens if they could help those eligible submit for a grant.

2. Systemic Racism Review Committee (SRRC) - Change to Charge

Deputy Manager Barr introduced this legislation/charge review. He noted that there is a memo in the packet from Assistant Attorney Adam Gottschalk that incorporates the changes requested by the committee.

The following members of the SRRC were present in person or via Zoom: Chair Grace Lee, Ephraim Froehlich, Gail Chaney, and Ivan Nance.

Chair Lee and Mr. Froehlich spoke to the SRRC's request to expand the scope of their work to include projects. They spoke to the committee's experience so far in reviewing legislation to try to identify issues of systemic racism and how they are running up against questions touching on legislation but they are constrained by the committee's current charge.

Assemblymembers asked them to describe examples. Mr. Froehlich gave the example of land use and land transfers and while they were charged with just looking at the legislation, they also had questions related to who else may be impacted by the legislation, if there were any situations where right of first refusal, etc. A second example was the reorganization of the Parks and Recreation affiliated boards, where SRRC questions included advertising and selection process. However, those questions started falling out of their scope. Chair Lee said that they only have access to the legislation but areas that might have systemic racism concerns are in processes.

'Wáahlaal Gíidaak previously served as the liaison to the SRRC and her regular job is in the space of racism and equity. She said that when we look at systems, we must look at the WHY. She noted that the SRRC scope is to look at the WHAT, but that is just looking at one piece of the puzzle and not the whole system. She said she is supportive of the changes the SRRC proposed.

The Assembly and SRRRC then had an extensive question and answer dialogue about how the SRRRC was formed, the charge it was tasked with, the best ways to move forward, and how they might look at the budget and be more proactive in their work rather than reactive if this change was implemented. Some of the concerns raised included the additional time that would be required of the SRRRC members and staff to complete the projects. Chair Lee expressed a desire for the Assembly to provide them with a list of items that the Assembly would like the SRRRC to look at. They discussed how best to approach the review of the budget.

In a discussion about the SRRRC sunset date, SRRRC members said they wanted to continue past the current sunset date and that was the first request for this change to the committee's charge. Answering a question about whether to try to combine the SRRRC with the Juneau Human Rights Commission, Chair Lee answered that they have different enough scopes that it made sense to keep them as two separate committees. Chair Lee said that the reasons their recommendations have been somewhat vague is because they are constrained by what they can do.

SRRRC member Gail Chaney said that she has a background in organizational development and that change takes time. The Assembly created this committee, and they created a tool but there is not a lot of data to support that tool yet.

SRRRC member Ivan Nance said he is interested in being proactive rather than reactive. His interest as a non-lawyer and non-government worker is that they be proactive, efficient, and effective.

Mayor Weldon thanked everyone on the SRRRC for their service and said this has been a very in-depth discussion and she would like to hold this in the COW to give members time to think about this further.

MOTION by Mayor Weldon to keep this topic in the COW for additional discussion.

Ms. Triem said that she would like to schedule a joint meeting of the Assembly and the SRRRC. She said she heard the concerns raised by other members and suggested they may be able to address those issues in a joint meeting rather than in the SRRRC legislation.

OBJECTION by Ms. Woll. She said that the Assembly doesn't do a lot of listening to their committees and that she would like to forward this suggested language for introduction at an Assembly meeting if the Mayor's motion fails.

Further discussion took place about whether to leave the charge to change in committee for amendment or to forward it to the Assembly as presented by the SRRRC.

Roll Call Vote on the Mayor's motion to keep this topic in the COW for an additional meeting.

Yeas: Mayor Weldon, Ms. Hale, Mr. Smith

Nays: Mr. Bryson, Ms. Hughes-Skandijs, Ms. Triem, Ms. Woll, 'Wáahlaal Gíidaak, Ms. Gladzsizewski

Motion failed 3 Yeas, 6 Nays.

Mr. Smith said that he would like to put forth some amendments to the language from the SRRRC memo. After working with staff Mr. Smith proposed the following motion.

MOTION by Mr. Smith to add "or at the request of the Assembly" after the words "at the discretion of the Committee" to the following section in the SRRRC memo:

(2) Reviewing proposed legislation, including the budget, selected at the discretion of the Committee, all ordinances after introduction and before public hearing to advise whether the ordinance likely includes a systemic racism policy or implication.

Mr. Bryson called a point of order. He said that he thought the Assembly already had that privilege. Ms. Layne replied that the Assembly already sends legislation to the SRRRC and that if the Assembly wants to send a topic to the SRRRC they can.

Additional discussion took place, and the Assembly took a 10-minute break.

Following the break, Mr. Smith asked the SRRC members how they might feel about the concept of a joint annual meeting with the Assembly to get goals and/or direction.

Chair Lee said the SRRC would be glad to meet with the Assembly on setting goals and priorities.

Mr. Smith withdrew his motion.

MOTION by Ms. Woll to direct staff to draft an ordinance for introduction that would incorporate the changes requested in the memo by the SRRC.

OBJECTION by Ms. Hale; she said further discussion and work was needed. Mayor Weldon also noted objection for the same reasons.

Roll Call Vote

Yeas: Mr. Smith, Mr. Bryson, Ms. Hughes-Skandijs, Ms. Triem, Ms. Woll, 'Wáahlaal Gíidaak, Ms. Gladziszewski

Nays: Ms. Hale, Mayor Weldon

Motion passed 7 Yeas, 2 Nays.

Deputy Mayor Gladziszewski thanked the members of the SRRC for coming. She then said that they would switch the agenda order to take up the iRide Alaska Lease Request for use of West Douglas Pioneer Road before the Affordable Housing Fund loans since there were members in the audience present for the iRide Alaska item.

4. iRide Alaska Lease Request for use of West Douglas Pioneer Road

Mr. Watt said that this topic, a commercial use permit for the West Douglas Pioneer Road, was forwarded to the COW from the Assembly and had previously been discussed in the Lands, Housing, and Economic Development Committee. Mr. Watt provided an overview of documents in the packet and thanked the Lands, Parks and Recreation, and Community Development Department staff members who worked collaboratively on this topic.

Mr. Bryson declared a potential conflict of interest; he said that he has a business that sells e-bikes but is not involved in tours.

Mr. Smith asked if there are recreational areas that do not allow commercial activities. Mr. Schaaf said that they follow the Tourism Best Management Practices (TBMP) plans which restrict commercial activities in certain areas, such as Cope Park, or the 30-year-old trails working group recommendations and Parks and Recreation regulations.

Discussion took place about where and when to discuss tourism in general, such as concentration verses dispersion of tourism and community impacts. Mr. Watt said they have not yet developed a process for talking about community impacts. He also mentioned that an update to the trails plan was started but got derailed by COVID. Ms. Triem said a lot of discussion about tourism took place during the Visitor Industry Taskforce Meetings, including the recommendation that tourism be spread throughout the borough.

Assemblymembers had questions for iRide partners Mr. King and Mr. Willis, primarily regarding logistics surrounding parking, bathrooms, and bike placement.

Ms. Woll asked about how CBJ would manage future commercial use requests for Pioneer Road. Mr. Watt said that they would consider the Pioneer Road under Parks and Recreation. Mr. Barr noted that Parks and Recreation looks at all commercial use permit requests for an area at once.

MOTION by Mayor Weldon to direct the City Manager to negotiate with iRide Alaska and introduce an ordinance to authorize the use of the property for one year.

Mr. Bryson said that activities like the proposal by iRide Alaska are listed in the Comprehensive Plan and the 2015 Economic Development Plan. Mr. Bryson noted that had iRide Alaska picked a trail, it would not have come to the Assembly at all. He spoke in support of the iRide Alaska proposal.

Amendment #1 by Mr. Bryson to allow for the renewal of the lease after a review.

Mr. Smith asked for clarification on the amendment around the number of renewals allowed. Mr. Bryson said he has not considered that yet; he said his intent in the amendment is not to limit the business to only one year, which might prohibit financing for them.

Ms. Gladziszewski stated that a renewal could be part of the negotiation and drafting process.

Mr. Bryson removed his amendment.

OBJECTION by Mr. Smith; he said he liked the project, including the location and ingenuity, but he felt like a more robust discussion about tourism needed to take place first.

Roll Call Vote

Yeas: Mr. Bryson, Ms. Triem, Ms. Woll, 'Wáahlaal Gíidaak, Ms. Gladziszewski, Ms. Hale, Mayor Weldon,

Nays: Ms. Hughes-Skandijs, Mr. Smith

Motion passed 7 Yeas, 2 Nays.

The Assembly took a 5-minute break and resumed at 8:35pm.

3. Affordable Housing Fund Loans

Mr. Watt said that loans are one of the most complex things that the city does, and when they loan money from the Affordable Housing Fund they are moving beyond what banks are willing to do. Mr. Watt said the first loan was with a senior housing project where CBJ sold land at a reduced interest rate. The second loan was to Gastineau Lodge Apartments, and it took over a year to develop terms acceptable to both CBJ and the developer.

Mr. Watt said that before the Assembly is a \$1.2 million dollar loan to Ridgeview Properties, LLC for a project which has the potential to add a significant amount of housing in Juneau. Mr. Watt said that during negotiations CBJ reiterated that they would like affordable housing units. The property developer proposed a variety of methods to make that happen, but they are all long term and provide a very small number of affordable units. According to Mr. Watt, the property developer said that the economics of the project means they can only provide 5 affordable units for the 25-year loan. Mr. Watt said that is a long time to tie up 1.2 million dollars for a small number of units. Mr. Watt proposed a possible alternative which was a shorter duration, 0% or low interest loan to a private developer without requiring affordable units and looking to nonprofits in the future for affordable units. Mr. Watt asked the Assembly to discuss their philosophy and how they want to use the Affordable Housing Fund Loan in the future.

Ms. Triem said that when an area adds housing units, even if they are not specifically designated as affordable housing, the overall cost of housing goes down because the housing stock increases. Ms. Triem said that she is hesitant to restrict CBJ in the future, as adding any housing units helps with affordability.

Ms. Triem asked for clarification about payback terms for this loan. Mr. Watt answered that the developer proposed no payments for 10 years, then paying off the loan in years 11-25. Mr. Watt said he likes the model used for the senior housing, where they did not pay any interest or payments on the land for 5 years and then paid for the land afterwards at an interest rate that matched CBJ's long term investment portfolio.

Ms. Hale said across the country developers cannot include affordable housing due to economics and it behooves the municipal government to not attach strings to developers.

Ms. Hughes-Skandijs asked if the senior project included an affordable component. Mr. Watt said that in addition to the land sold at favorable cost, the Assembly gave a \$2 million dollar grant to insure lower income units. Mr. Watt said for the Ridgeview project, CBJ does not own the land and is not giving a grant.

Ms. Triem said that the applications they've received from nonprofits have been for low-income housing, not workforce housing. She said she wants to see more applications for workforce housing.

MOTION by Ms. Hale to direct the City Manager to bring back an amended ordinance 2022-06(b)(AK) with workforce housing requirement removed and asked for unanimous consent.

OBJECTION by 'Wáahlaal Gíidaak; she said she objected that the funding is coming from the Affordable Housing Fund without a requirement for affordable housing which is not the intent of the Affordable Housing Fund.

Mr. Bryson said 'Wáahlaal Gíidaak and Ms. Triem are both correct, but that CBJ can take small steps to make it easier to develop housing.

Roll Call Vote

Yeas: Mr. Bryson, Ms. Triem, Ms. Woll, Ms. Gladziszewski, Ms. Hale, Mayor Weldon, Ms. Hughes-Skandijs, Mr. Smith

Nays: 'Wáahlaal Gíidaak

Motion passed 8 Yeas, 1 Nays.

F. STAFF REPORTS

G. NEXT MEETING DATE - April 3, 2023, 6 p.m.

H. SUPPLEMENTAL MATERIALS

5. RED FOLDER-Broadband Access/Digital Equity Presentation

I. ADJOURNMENT

There being no more business to come before the Committee of the Whole, the meeting was adjourned at 9:00pm.

ASSEMBLY COMMITTEE OF THE WHOLE WORKSESSION **DRAFT** MINUTES



April 03, 2023 at 6:00 PM

Assembly Chambers/Zoom Webinar/YouTube Livestream

Assembly Committee of the Whole Worksession-no public testimony will be taken.

A. CALL TO ORDER

The Assembly Committee of the Whole meeting, held in the Assembly Chambers and via Zoom, was called to order by Deputy Mayor Maria Gladziszewski at 6:00p.m.

B. LAND ACKNOWLEDGEMENT

Mr. Bryson provided the following land acknowledgment: "We would like to acknowledge that the City and Borough of Juneau is on Tlingit land, and wish to honor the indigenous peoples of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. *Gunalchéesh!*"

C. ROLL CALL

Assemblymembers Present: Maria Gladziszewski, Christine Woll, 'Wáahlaal Gíidaak (via Zoom), Carole Triem, Greg Smith, Michelle Hale, Wade Bryson, Alicia Hughes-Skandijs (via Zoom), and Mayor Beth Weldon.

Assemblymembers Absent: None.

Staff Present: City Manager Rorie Watt, Deputy City Manager Robert Barr, Acting City Attorney Sherri Layne, Municipal Clerk Beth McEwen, Deputy City Clerk Diane Cathcart, Engineering/Public Works Director Katie Koester, Port Director Carl Uchtyl, Tourism Manager Alix Pierce, Lands Manager Dan Bleidorn, Law Office Manager Deb Senn, Assistant City Attorney Emily Wright, Parks & Recreation Manager George Schaaf, Finance Director Jeff Rogers, Community Development Director Jill Maclean, CDD Planner Irene Gallion

D. APPROVAL OF AGENDA

The agenda, as presented, was approved by unanimous consent.

E. APPROVAL OF MINUTES

1. June 27, 2022 Draft COW Minutes

Hearing no objection, the minutes of the June 27, 2022 Committee of the Whole meeting were approved by unanimous consent.

F. AGENDA TOPICS

2. Fee to Trust Update

Assistant City Attorney Adam Gottschalk gave a presentation on Fee to Trust lands. Mr. Gottschalk said there are several parcels in the area of town traditionally known as the Indian Village owned by Central Council of Tlingit and Haida Indian Tribes of Alaska (CCTHITA). He said those lands are eligible to be taken into Trust by the Department of the Interior; one parcel is currently held in Trust as of November 2022. CBJ and CCTHITA are working on an intergovernmental agreement to clarify potential jurisdictional issues. The current intent is that CBJ will continue to provide public services on this land until CCTHITA can create comparable services.

Mr. Smith asked how land in trust is different than tribal land. Mr. Gottschalk answered that land in Trust is not subject to local taxes or codes.

Ms. Triem asked if CBJ can enter into a government-to-government relationship regardless of land being in Trust. Mr. Gottschalk said CBJ can so long as there is no state law prohibiting it.

Mr. Gottschalk and Mr. Watt answered further questions from the Assembly.

Mr. Watt told the Assembly that CBJ is losing a valuable employee as Assistant City Attorney Adam Gottschalk is moving to Anchorage to go into private practice.

3. Ordinance 2023-20 An Ordinance Amending the Duties of the Systemic Racism Review Committee (SRRC).

Ms. Gladyszewski noted that there were proposed amendments in the packet and Ms. Hale said that she had another possible amendment.

AMENDMENT #1

MOTION by Mr. Smith to amend Ordinance 2023-20 at Sec. 2, subsection (b) Duties, by adding a new subsection (7), to read:

...

(7) Meeting with the Assembly in a joint meeting at least once a calendar year.

...

Mr. Smith spoke to the reasons behind his amendment and said this would allow the Systemic Racism Review Committee (SRRC) and the Assembly to better communicate about goals.

Objection by Ms. Hughes-Skandijs who said the SRRC should set their own priorities and not the Assembly.

Roll Call Vote on Amendment #1

Yeas: Mr. Smith, Mr. Bryson, Ms. Hale, Ms. Triem, Waahlaal Giidaak, Ms. Gladyszewski, Mayor Weldon

Nay: Ms. Hughes-Skandijs, Ms. Woll

Amendment #1 passed 7 yeas: 2 nays

AMENDMENT #2

MOTION by Ms. Hale to amend Ordinance 2023-20 to add a new WHEREAS after the second WHEREAS, on Page 1, Line 12, to read:

WHEREAS, systemic racism includes policies and practices that exist throughout a whole society or organization, including historical actions and practices, and that result in and support a continued unfair advantage to some people and unfair or harmful treatment of others based on race; and

Ms. Hale spoke to the reasons behind her amendment, and she asked for unanimous consent. Ms. Hale said the original creation of the SRRC was focused on reviewing current legislation, but it is more common that existing and historical practices perpetuate a framework of systemic racism. ***Hearing no objection, Amendment #2 passed by unanimous consent.***

AMENDMENT #3

Ms. Hale noted that her next amendment was sent out in a revised version that was posted online under Supplemental Materials. Her revised version is listed below:

MOTION by Ms. Hale to amend Ordinance 2023-20, amending the fifth WHEREAS, on Page 1, Line 16, to read:

WHEREAS, the residents of Juneau and the Assembly benefit from having a systemic racism review committee that works with the Assembly to address systemic racism, including reviewing legislation and policies and procedure and making recommendations to the Assembly; and

~~**WHEREAS, the Assembly would benefit from having a systemic racism review of legislation before a resolution or an ordinance is up for public hearing; and**~~

Ms. Hale spoke to the reasons behind her amendment and she asked for unanimous consent. Ms. Hale said she did not want to remove the SRRC’s requested language but wanted to add additional language.

Objection by Ms. Hughes-Skandijs. Ms. Hughes-Skandijs noted that the sixth Whereas clause on page 1 of the ordinance, lines 18-19, currently has language underlined that includes the SRRC’s requested language. She noted that inserted language already expands SRRC review to include policies and procedures and if Amendment #3 passes and the fifth Whereas is replaced, it would be duplicative.

Ms. Hale thanked Ms. Hughes-Skandijs for pointing that out. Ms. Hale said that her intention was to remove lines 17-19 and asked Ms. Gladziszewski how best to proceed. Ms. Gladziszewski called for a 2 minute at ease.

The Committee resumed its meeting at 6:30p.m.

Ms. Hale withdrew the previous Amendment #3 and replaced it with the following Amendment #3:

MOTION by Ms. Hale to amend Ordinance 2023-20, by removing the fifth and sixth WHEREAS clauses on Page 1, Lines 17-19, and replacement them with the following:

WHEREAS, the residents of Juneau and the Assembly benefit from having a systemic racism review committee that works with the Assembly to address systemic racism, including reviewing legislation and policies and procedure and making recommendations to the Assembly; and ...

Objection by Ms. Hughes-Skandijs for purposes of amending Amendment #3 with #3A. Ms. Hughes-Skandijs said that she feels this brings back a portion of the fifth Whereas clause that Ms. Hale left out by accident.

AMENDMENT #3A

WHEREAS, the residents of Juneau and the Assembly benefit from having a systemic racism review committee that works with the Assembly to address systemic racism, including reviewing policies and procedures and reviewing legislation prior to public hearing and ~~policies and procedure and making~~ recommendations to the Assembly; and ...

Hearing no objection, Amendment #3A passed by unanimous consent.

Hearing no objection, Amendment #3, as amended, passed by unanimous consent.

AMENDMENT #4

MOTION by Ms. Triem to amend the sunset date on page 3 of the ordinance, line 14 changing the date from August 31, 2023 to August 31, 2026.

Hearing no objection, Amendment #4 passed by unanimous consent.

AMENDMENT #5

MOTION by Ms. Hale to amend the sunset date clause to read as follows:

Section 3. Sunset Clause. The Committee created by Section 2 shall cease to exist and the provisions of Section 2 shall automatically terminate August 31, 2026, unless the Assembly extends the Committee to

exist until disbanded by the Assembly. In a joint meeting prior to December 31, 2025, the Committee and the Assembly shall review the Committee's work product to date and the provisions of this ordinance to determine if any changes are necessary.

Ms. Hale discussed the reasons for her amendment. Ms. Hale said having a discussion focused on the work product of the SRRC will allow the Assembly to better meet the goals of the SRRC.

Objection by Ms. Hughes-Skandijs; she said she feels that the amendment from Mr. Smith establishes joint meetings between the Assembly and the committee.

Roll Call Vote on Amendment #5

Yeas: Mr. Smith, Mr. Bryson, Ms. Hale, Ms. Triem, Waahlaal Giidaak, Ms. Woll, Ms. Gladziszewski, Mayor Weldon

Nay: Ms. Hughes-Skandijs

Amendment #5 passed 8 yeas: 1 nays

MOTION by Mayor Weldon to forward Ordinance 2023-20, as amended, back to the Assembly for public hearing. Hearing no objection, Ordinance 2023-20, as amended, was referred back to the Assembly for public hearing.

4. Animal Control/Sheltering

Mr. Barr talked about the services Juneau Animal Rescue (JAR) provides to the community on behalf of CBJ under Title 8. JAR provides enforcement, licensing of dogs, impoundment and disposition, rabies control, quarantine services, and care for stray animals. He said it is one of CBJ's larger contracts.

Mr. Barr asked the Assembly for direction for renegotiating the contract, specifically around cost recovery. JAR recovers about 7.5% of their operating costs, primarily from licensing fees. Other CBJ programs recover between 20-70% of their cost. Mr. Barr provided options including raising licensing fees on dogs, adding new licensing fees for cats, and/or creating new incentives or disincentives to increase licensing compliance.

The Assembly discussed various options. The Assembly provided direction to explore licensing for cats, creating a new puppy license, incentives for licensing compliance, and raising rates slightly.

5. 2023 State of the Visitor Industry

Tourism Manager Alix Pierce and City Manager Rorie Watt presented about tourism in Juneau in 2023 and answered questions from the Assembly. Ms. Pierce said that as the market gets more crowded cruise ship itineraries will change, but that Juneau remains a highly desirable port of call. She said they are working on the "best ship at best dock" concept, which includes normalizing dockage fees and having an expanded role in scheduling. Mr. Watt said that Juneau's best outcome is to work with the cruise industry to advance local goals instead of using highly disruptive levers like closing a city owned dock. Ms. Pierce highlighted that shoreside activities are mostly locally owned and provide local economic activity.

MOTION by Mayor Weldon to draft an appropriation ordinance for \$120,000 of marine passenger fees to fund a public process around commercial use throughout the borough.

Hearing no objection, the motion passed by unanimous consent.

MOTION by Mayor Weldon to draft an appropriation ordinance for up to \$80,000 of marine passenger fees the Juneau Trails Plan.

Ms. Hale asked if the trail plan funding would include unimproved roads. Mr. Watt answered yes.

Hearing no objection, the motion passed by unanimous consent.

6. New City Hall

Ms. Koester asked the Assembly for direction about New City Hall. Voters did not pass a New City Hall in 2022, but since then multiple changes have occurred, including Walmart no longer being vacant, Sealaska Heritage Institute

purchasing the Municipal Way Building which houses 34 CBJ employees, and further deterioration of the Marine View Building which houses 51 employees. Ms. Koester said she is not asking the Assembly to decide tonight about putting it back on the ballot, but to consider other factors like changing the location, design or bond request.

The Assembly asked questions of Ms. Koester and Mr. Watt. The Assembly gave direction for a study about repurposing already existing buildings for New City Hall, to look at a lower bond request, and to create a public education component.

- G. NEW BUSINESS – None.**
- H. UNFINISHED BUSINESS – None.**
- I. STAFF REPORTS – None.**
- J. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS – None.**
- K. NEXT MEETING DATE - April 24, 2023; 6:00p.m.**
- L. SUPPLEMENTAL MATERIALS**
 - 7. Supplemental Material - Ord. 2023-20 Systemic Racism Review Committee - Michelle Hale Substitute Amendment #2**
- M. ADJOURNMENT**

With no more business to come before the Assembly, the meeting adjourned at 8:52pm.

ASSEMBLY COMMITTEE OF THE WHOLE

DRAFT MINUTES

April 24, 2023 at 6:00 PM



Assembly Chambers/Zoom Webinar

A. CALL TO ORDER

The April 24, 2023 Assembly Committee of the Whole meeting was called to order by Deputy Mayor Gladziszewski at 6:04p.m.

B. LAND ACKNOWLEDGEMENT

Ms. Triem provided the following land acknowledgement: "We would like to acknowledge that the City and Borough of Juneau is on unceded Tlingit land, and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!"

B. ROLL CALL

Present: Michele Hale, Greg Smith, Christine Woll, Carole Triem, Alicia Hughes-Skandijs, Wade Bryson, Deputy Mayor Maria Gladziszewski, Mayor Beth Weldon (via zoom)

Absent: 'Wáahlaal Gíidaak

Staff Present: City Manager Rorie Watt, Deputy Manager Robert Barr, Acting City Attorney Sheri Layne, City Clerk Beth McEwen, Deputy Clerk Diane Cathcart, Lands Manager Dan Bleidorn, Parks and Recreation Director George Schaaf, Eaglecrest Manager Dave Scanlan, Law Office Manager Deb Senn, Assistant Attorney Emily Wright

D. MANAGER'S REQUEST FOR AGENDA CHANGES -- *None*

E. APPROVAL OF AGENDA – *Approved by unanimous consent*

F. APPROVAL OF MINUTES

1. August 8, 2022 DRAFT Assembly Committee of the Whole Minutes

Hearing no objection, the minutes of the August 8, 2022 Assembly Committee of the Whole were approved by unanimous consent.

G. AGENDA TOPICS

2. Childcare Update

Mr. Barr provided an update on childcare, referencing the memo in the packet which outlined current childcare programs: a per child stipend and HEARTS, a program for retaining teachers. Mr. Barr said they expect these to remain unchanged from FY23 to FY24. Mr. Barr, Ms. Blue Shibler from Association for the Education of Young Children (AEYC), Mr. Brian Holst from Juneau Economic Development Council (JEDC), and people from the National League of Cities have been working a plan for the new funding approved by voters last year; the process has also involved meeting with current childcare providers to solicit feedback and advice.

Mr. Barr reminded the Assembly that their past practice has been to fund the per child stipend program at a rate that allowed for growth – funding more than the current need to allow new providers to receive the stipend if they open. Mr. Barr said that last year he requested that extra funding become a higher per child stipend to providers; this year Mr. Barr is requesting the Assembly allocate the extra funding on a start-up grant for new

childcare providers. He said they would go through a competitive solicitation process to select the new providers. Then the funding would be used as a grant to help the top one or two applicants open a new facility.

Mr. Barr shared potential plans for the new childcare funding approved by voters – the current lead proposal would be a new program focusing on per employee stipends. Providers would receive a dollar amount per licensed childcare provider in their program which would allow them to raise local wages approximately \$2.5-3 per hour for staff. Mr. Barr said that providers reported to him that the most challenge problem they face is hiring and retaining staff. Currently, Juneau providers have licensing for about 430 children, but only serve about 250 due to staffing shortages.

Mr. Barr said the State of Alaska is looking at changing from a market rate model for assessing who is eligible to receive childcare assistance to a true cost of care model. He said they have applied for a \$2,000,000 grant from the State, which is pass-through federal money. Mr. Barr said that if CBJ receives the grant they will use it to supplement all three programs over the next two years, as well as create a new apprentice program for childcare administrators. He noted that the grant from the state has a strict time limit for spending the money; if CBJ receives it they plan to move some local grant money to a future fiscal year to avoid a sharp spending increase followed by a sharp spending decrease in a short period of time. Mr. Barr said this came from conversations with childcare providers who said they appreciated consistency in funding which better allows them to plan.

Mr. Bryson asked what current wage ranges are. Mr. Barr said it varies; some providers pay as low as \$14-15 an hour, some significantly more. He said there is also variability in whether other benefits are provided.

Ms. Woll asked about eligibility for these programs. Mr. Barr said the current practice is that providers who receive regular operating funds through another governmental source have not been eligible for CBJ funds. He said the last time he looked, programs that received a different government subsidy have significantly higher wages for employees than the providers who receive these grants.

MOTION by Mayor Weldon to direct staff to proceed with the FY24 programs as outlined in the memo and to reallocate the remaining FY23 per child stipend funds to create a startup childcare grant program.

Hearing no objection, the motion passed by unanimous consent.

3. Election Code Changes:

Ordinance 2023-25 Assembly District Boundaries (CBJ 11.10.030)

Ordinance 2023-24 Rewrite of Election Code (CBJ 29.07)

Mr. Barr asked the Assembly for three things:

1. To introduce an ordinance to codify by mail elections as the default (covered in Ordinance 2023-24)
2. Housekeeping Election Code changes (covered in Ordinance 2023-24)
3. To adopt precinct maps, in order to provide results by precinct. CBJ has two Assembly districts, which dictates where someone running for the Assembly may live; the two districts must have a similar population. The State redistricting process has interim maps adopted. CBJ believes they can use the State maps with one exception: the Glacier Valley precinct (04-130) with approximately 2100 people is currently placed in Assembly District 1. For CBJ to have proportional maps, CBJ requests that precinct (04-130) be placed within Assembly District 2 (covered in Ordinance 2023-25)

Ms. Triem asked about major differences between these boundaries and the previous. Ms. McEwen said the boundaries of the precincts are different than in the past. Ms. McEwen reminded all people that everyone in

Juneau gets the same municipal ballot regardless of where they live; the districts only impact those running for Assembly. The eligibility for the District 1 and District 2 seats is based on where the Assembly candidate lives. Mr. Watt said the precincts are different, but the Assembly districts are relatively close to what they previously were.

Ms. Woll asked for a comparison map between what is being proposed compared to the previous boundaries.

MOTION by Mayor Weldon to move Ordinance 2023-25 Assembly District Boundaries, with the red folder amendment, to the full Assembly.

Hearing no objection, that motion passed by unanimous consent.

Mr. Smith asked about the procurement process for election materials and services. Mr. Watt said they do not want to low bid election work. Ms. McEwen said that the procurement process language did not change, just the location of where that language appears within the code.

Mr. Smith asked about prepaid return envelopes. Ms. McEwen said that business reply mail, which would allow CBJ to prepay the return envelopes, is not automatically postmarked. Election code requires that a ballot must be returned by 8pm on election day, or if returned after election day be postmarked on election day. When CBJ did business reply mail, the post office did not postmark many of those envelopes so there were over 700 ballots received after election day with no postmark that could not be counted. When CBJ required voters to add a stamp there were approximately 10 ballots received after election day with no postmark that could not be counted.

MOTION by Mayor Weldon to move Ordinance 2023-24 Rewrite of Election Code to the full Assembly.

Hearing no objection, the motion passed by unanimous consent.

4. Community Schools

Mr. Barr provided an update on Community Schools, specifically looking at the feasibility of the Parks and Recreation Department running the program. Mr. Barr said they are still waiting for information from the Juneau School District (JSD) to provide more details and an eventual recommendation to the Assembly. Mr. Barr said the Parks and Recreation Department is the single largest user of the Community Schools programs and that *potentially* Parks and Recreation might be able to run the program with fewer staff; currently the program utilizes 3.5 FTE and Parks and Recreation estimated they could run it with an additional 2 FTE to their current staffing. Mr. Barr reiterated that these are preliminary numbers and that a more complete analysis needs to be done before any recommendation can be made.

Ms. Triem asked what the next steps are if the JSD does not provide additional information. Mr. Barr said he thought it would be more prudent to wait and deal with this after the budget if the information is not provided in a timely manner.

Ms. Hughes-Skandijs asked why the 3.5 FTE number was pulled from the 2017 budget. Mr. Schaaf said that was the most recent budget available on the JSD website that included FTEs.

Ms. Hale asked if Parks and Recreation can utilize volunteers to do tasks such as monitoring buildings. Mr. Schaaf said that adult sports pay recreation aides to monitor the school buildings, but youth sports use community school staff to monitor the buildings because they are coached by volunteers.

Ms. Woll asked about the \$65,000-100,000 that Parks and Recreation used to pay to Community Schools, outside of additional funds appropriated to the program by the Assembly. Mr. Schaaf said that money was in the areawide recreation budget as rental fees that were paid to JSD. In 2017 JSD passed a policy that an organization operating under a bilateral agreement, such as CBJ, did not have to pay rental fees.

The Assembly gave direction to Mr. Barr to continue to work on this issue.

5. Gondola Revenue Sharing Agreement with Goldbelt

Mr. Watt said on January 10, 2023 the Assembly authorized the Manager to sign an agreement with Goldbelt; before the Assembly today is an outline of what has changed since January. Mr. Watt said that it is a good deal

for both parties. Mr. Watt highlighted the material changes, including: CBJ will receive all ten million dollars at one time, the date of the gondola opening has been extended a year to 2028, the agreement switched from simple interest to compound interest. In the event that CBJ terminates the agreement, CBJ removed some force majeure language, CBJ agreed to a quicker reporting requirement, the indemnification language was updated, and they removed language regarding mutual non-disparagement. Mr. Watt said most of the economic terms of the original agreement stand.

Ms. Triem asked about the indemnification language changes. Ms. Layne said that the indemnification language is relatively standard in CBJ contacts for entities that require indemnification. Ms. Hughes-Skandijs asked if there is a future intention to seek indemnification. Ms. Layne said that this does not commit the Assembly to any future action. Mr. Watt and Ms. Layne provided several examples of indemnification for the Assembly.

H. STAFF REPORTS – None.

I. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS – None.

J. NEXT MEETING DATE: May 22, 2023, 6p.m.

K. SUPPLEMENTAL MATERIALS

6. RED FOLDER version of Ordinance 2023-25vCOW-Assembly Election District Boundaries
7. RED FOLDER - Exhibit A of Ordinance 2023-08 Revenue Sharing Agreement-CBJ and Goldbelt Gondola Project - Redline version

L. ADJOURNMENT – adjourned at 7:02p.m.

There being no further business coming before the committee, the meeting adjourned at 7:02pm.

ASSEMBLY WORKSESSION-ANNUAL RETREAT **DRAFT** MINUTES



December 02, 2023 at 8:30 AM

JNU Airport Alaska Room

This annual Assembly Worksession was an in-person meeting only being held from 8:30a.m. - 4:30p.m. at the Juneau International Airport Alaska Room. There was no Zoom webinar offered and no public testimony taken during this event.

A. CALL TO ORDER

Mayor Weldon called the Assembly Annual Retreat/Worksession to order at 8:30a.m.

B. LAND ACKNOWLEDGEMENT

Ms. Woll shared the following land acknowledgement: We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. *Gunalchéesh!*

C. ROLL CALL

Assemblymembers present: Mayor Beth Weldon, Deputy Mayor Michelle Hale, Assemblymembers Greg Smith, Wade Bryson, Alicia Hughes-Skandijis, Christine Woll, 'Wáahlaal Gídaag (Barbara Blake), Paul Kelly, and Ella Adkison

Staff present: City Manager Katie Koester, Deputy Manager Robert Barr, City Attorney Robert Palmer, Municipal Clerk Beth McEwen, Human Resources/Risk Management Director Dallas Hargrave, Finance Director Angie Flick, Parks & Recreation Director George Schaaf, Airport Manager Patty Wahto, Community Development Director Jill Maclean, Emergency Planning Manager Tom Mattice, Eaglecrest Manager Dave Scanlan, Engineering/Public Works Director Denise Koch, Lands Manager Dan Bleidorn, Tourism Manager Alix Pierce, Assistant Attorney Sherri Layne, Assistant Attorney Nicole Lynch, Assistant Attorney Emily Wright, Law Office Manager Deb Senn

D. APPROVAL OF AGENDA

The agenda was approved as presented.

E. AGENDA TOPICS

1. Introduction/Goals of the Retreat/Team Building/Visioning

Mayor Weldon had everyone in the room introduce themselves. She then explained the first part of the retreat was going to be led by Juneau Economic Development Council Executive Director Brian Holst providing economic and demographic forecasts and leading everyone in future planning scenarios. Following that, City Manager Koester would provide a framework for discussing Housing issues followed by lunch, and the afternoon will have discussions on giving budget direction to the City Manager followed by Tourism and finishing up with going over the Assembly goals.

JEDC Director Brian Holst presentation and scenario workshop

Mr. Holst provided demographic and population forecasts highlighting where Juneau stands today vs. the predictions for what it will look like in 2035.

Mayor Weldon broke the room up into four groups for a table top exercise for the scenarios provided by Mr. Holst.

Scenario A asked the table groups to provide a plan for what CBJ would look like in 2035 if the Department of Labor's prediction of population holds true at 30,813 with more seniors and fewer students/youth, and working age adults.

Scenario B then asked the table groups to provide a plan for what CBJ would look like in 2035 if we were to maintain our current population with the same or more students/youth, and working age adults.

Some of the highlights that came out of those scenarios included the following:

- Increase Affordable Housing;
- Look at facilities that enable aging in place;
- Incentivize Apartment Building;
- For CBJ to create a Model Land Trust;
- Look at increased density & affordability and use of more manufactured and/or tiny homes;
- Look at road blocks/hurdles that prohibit access to the most buildable land;
- For the Assembly & public to trust that staff knows what they are doing;
- Focus on land that CBJ owns.

The table groups then reported out some of the below challenges and solutions as related to the above ideas:

- Staff turnover: How do we build career ladders to keep current workers while also attracting and retaining new employees? One suggestion was to develop a program similar to the Tlingit-Haida 477 program which is a federally funded program that provides grant funding for hiring and providing on the job training for individuals getting back into the workforce.
- Focus on quality of life in Juneau which includes addressing housing, child care, and health care. Also need to look at larger structural changes at the state and federal governmental levels and addressing unfunded mandates.
- Build partnerships with UAS to attract more youth to Juneau.
- Look at building senior village areas that would include spaces for children and youth programs as well so elders and youth could interact organically.
- Develop Telephone Hill – is Juneau ready to make change to attract youth and families to live here?
- Build the second crossing.
- Installation of bigger internet pipe to attract youth and families to live in Juneau to working in technology jobs while being able to pursue the rich quality of life activities available in Juneau.
- Get the cost of living under control.
- Subsidize child care and work with the Juneau School District (JSD) on possibly converting some school space into child care facilities.
- Invest in sewer/water infrastructure improvements.

2. Housing Discussion

CDD Planning Manager Scott Ciambor gave a presentation on the status of Housing in Juneau as well as facts and figures related to the Affordable Housing Fund. Mr. Ciambor showed the members how they can navigate the Housing Plan Tracker.

He noted that the Riverview Senior Housing project is now operational and will start to use its 12-year tax abatement starting January 1, 2024.

The Affordable Housing Fund dashboard showed they have used \$4.4 million in the program on 198 total units, 7 of which have been completed so far. Of those 198 units, 45 are slated for affordable housing units and the remaining units are to be sold at fair market value.

The Housing Needs Summary sheet showed 1,374 units needed by 2043 with a total of 1,635 units needed if the USCG Icebreaker was located in Juneau. The summary sheet was split into three main categories on the housing spectrum:

- Housing for Lower to Moderate income households (\$27,038-\$72,101) < 80% AMI
- Housing for Moderate to Upper Middle Income households (\$72,102-\$108,151) 80-120% AMI
- Housing for Upper Middle Income to High Income households (\$108,151-\$162,227+) >120% AMI

Mr. Ciambor then polled the Assemblymembers on what type of housing CBJ should be focusing upon out of the three categories above.

The consensus from Assemblymembers was that they wanted to consider all types of housing with an emphasis on the lower to middle income households and to stress emphasis on housing that promotes home ownership over rentals. They wanted to provide CDD with a regulatory ‘magic wand’ with the goal to permit as many units as possible whether that was through greater density of housing via zoning, doing a full rewrite of Title 49 and/or provide funding and incentives to help churn large family dwellings that are currently occupied by one or two seniors into homes available for bigger families if desirable senior housing could be incentivized. They also discussed inch-worming CBJ land sales to then reinvest those monies from the sale of land back into infrastructure to support additional land sales. Assemblymembers also acknowledged that many of these solutions will likely cost additional money on a continuous basis taking the form of creating some additional staff positions, either for a specific project based period of time or through the creation of one or more permanent positions (i.e. Deputy Lands Manager).

In discussing ongoing efforts vs. potential efforts, they categorized the City-led development/potential housing projects/partnerships that they would like to look at pursuing in the future as follows:

<u>Ongoing Efforts</u>	<u>Potential Efforts</u>
Money/Position Deputy Lands Manager	Auke Bay
2 nd & Franklin Lot (CBJ land only)	2 nd & Franklin Lot overall project
Pederson Hill – Phase 2	Pederson Hill overall project
Telephone Hill	Telephone Hill
	Mayflower Island
	450 Whittier St.
	Evaluate CBJ property that needs utilities

Following the discussion on housing issues, CDD Director Jill Maclean provided the following updates regarding the Title 49 rewrites and the Comprehensive Plan. She noted that their previous Administrative Officer Minta Montalbo has been hired into the Senior Planning position and will be taking the lead on the Comprehensive Plan project management. Director Maclean explained that the first piece will involve extensive public engagement that will eventually lead to zoning changes that the Assembly will receive for consideration and culminating with the adoption of the updated Comprehensive Plan and a Title 49 rewrite.

3. Budget Discussion

Following a lunch break, Finance Director Angie Flick provided information about the current state of the city’s finances. She referred to the November 29, 2023 memo in the retreat packet that outlines the budget direction staff is looking for from the Assembly.

The first question she asked the Assembly was to provide direction on what their preferences are with respect to revenue forecasting on a spectrum spanning quite conservative to very aggressive. In the middle of that spectrum would be a neutral number which would mean they would be willing to be off by approximately \$1 million dollars on either side due to the large size of the Fund Balance. She explained that since the pandemic, finances worldwide, and in Juneau in particular, have been very dynamic and that makes revenue forecasting quite challenging. The factors involved include human behavior, inflation, and local economic drivers.

Each Assemblymember weighed in on where they landed on the spectrum with the majority choosing a neutral forecast but with each of them providing comments. It was a consensus that if they have to spend more money on the services they want to provide, they want the option to do so.

Additional discussion took place about how the Assembly felt about the current level of services offered by CBJ and if there were need for more or less services. That then led to conversations about the recent recruitment and retention efforts that were implemented this year and the filling of vacant positions. When asked if there were any vacant positions that we could do without in the long term, Manager Koester and Deputy Manager Barr said there were not, that all of the vacant positions that could have been eliminated have already been eliminated.

Assemblymembers asked if any Fund Balance monies could be used towards hiring staff to accomplish specific goals such as the Title 49 rewrite (2 positions), Child Care, insurance reduction (since we are self-insured), increasing the Affordable Housing Fund, a Deputy Lands Manager position. They also discussed bus routes and the status of driver positions and that they want to eventually look at funding expanding a feeder circulator route in the valley along Riverside Driver as well as downtown. There was discussion about looking at CIP projects for energy efficiencies and possibly matching the revenue forecasts to the inflation rate or if they might decide to dial back projects if rates are too expensive due to inflation. Manager Koester explained that they do look at all CIP projects individually and the inflation impacts on each of those as they are bringing them forward. She noted that some projects had been added due to the increased revenues such as the Augustus Brown Swimming Pool. They briefly discussed the topic of ownership and maintenance of the Douglas Cemeteries but they decided to take up that topic further at a future Committee of the Whole meeting instead.

Manager Koester and Director Flick then asked the Assembly to provide direction regarding how they would like staff to manage the Debt Service Mill Rate and Bond Capacity. There is currently a \$31Million Fund Balance and they are holding \$9Million as savings as the bottom line to cover operational expenses. That then leaves \$22Million in the Fund Balance available but it does not include any current projects. Manager Koester noted that there is currently \$5Million in matching funds needed for active grant applications if all those grants are awarded. In addition to the current Fund Balance, they will have Bonding Capacity at \$75Million.

AFC Chair Woll provided information that the Debt Service Mill rate has been kept at 1.2 mills and they could look at a couple of scenarios related to that. Options might include: paying off the debt early, or don't pay off the debt early but let the mill rate fall lower, or keep the debt service at the 1.2mill rate and add more projects.

When asked about the debt on the 16B dock project, it was clarified that those came from a revenue bond and that debt is being repaid from Marine Passenger Fees (MPFs).

Director Flick said that the options they may want to look at are:

- 1) Keep the debt service mill levy at 1.2 mills;
- 2) Let the mill rate fall;
- 3) Put a question on the ballot to the voters to add one or more projects (resulting in a mill levy increase); or
- 4) Do a hybrid of options 2 & 3 above.

Each of the Assemblymembers weighed in on what their preferences would be regarding the debt service with many comments being a mix of the three options. The majority of the members agreed that they wished to keep the 1.2 mill rate but possibly pay things down to reduce debt faster while keeping the debt capacity available for possible projects on the ballot.

Manager Koester then polled the members on their comfort levels in spending fund balance on operations, increasing revenues and/or decreasing services. The top two answers that many members agreed with were to do some strategic spending of the fund balance on operations, use it on capital projects to reduce future expenditures. Other answers included looking at projects on a case by case basis, keeping the mill rate flat and not increase spending which might put them in a downward spiral, looking at alternative revenue sources such as Sales Tax and Property Tax Exemptions, and discuss what they will do with any surplus Sales Tax revenues.

Director Flick noted that they had discussed a number of assumptions during the November 29 Assembly Finance Committee meeting and she asked if there was anything different from that discussion that they wished to provide direction to staff about. There was nothing different brought up at this time.

4. Tourism discussion

Tourism Manager Alexandra (Alix) Pierce provided an update with some of the data from the most recent 2023 tourism season as well as an overview of the anticipated 2024 and future tourist seasons. CBJ has been approaching the tourism management aspects through negotiated agreements. Ms. Pierce has been working with the industry on the scheduling of the 2024 cruise ships and due to the 5-ship limit starting in 2024, that will be the first year we haven't seen tourism growth increase other than the years of the pandemic. Unfortunately, the 5-ship limit does not preclude private dock owners from hot berthing and they are the companies that control the cruise ship schedule locally. Ms. Pierce explained that the Assembly has two main options to choose from: Option 1) Negotiated Agreements, or Option 2) Taking legal action.

City Attorney Palmer then provided an overview of the legal landscape and noted that the packet included the two memos; one from former City Attorney John Corso and a memo from Mr. Palmer that were both provided to the Visitor Industry Task Force. He noted that while some things have not changed from the time this was discussed at the VITF, other things have. Both Ms. Pierce and Mr. Palmer then provided additional information to the members asking for feedback on what levers the Assembly might want to utilize in the future. They also asked for any guidance/feedback from members about those ships that came early in April & stayed into late October and that aspect of the scheduling conversation.

Feedback from the Assembly was in favor of negotiated agreements over legal action. The consensus of members was that they wanted to include a moratorium on hot berthing within the negotiated agreement. Out of the nine Assemblymembers, four members supported ships staying later in October and two members supported the earlier ships in April.

5. Assembly Goals

Deputy Manager Barr provided an overview of the process for reviewing and finalizing the goals this year. The packet contained the 2023 Goals with an updated status listed for each Implementing Action (IA). The packet also contained new and/or edited Assembly proposed goals as submitted by individual Assemblymembers Woll and Kelly. Using the 2023 Goals as the basis, the following list is a summary any changes, i.e. *additions (italicized)*, deletions (~~strikes throughs~~), or replacement language (underlined), that were agreed upon by consensus. Goals/Implementing Actions that were kept as they appeared in the 2023 goals are noted as *.

***Goal 1: Housing – Assure adequate and affordable housing for all CBJ residents**

Implementing Actions:

NEW IA *1A: Measure and monitor short-term rental trends and evaluate feasibility of short-term rental regulation.*

Removed 1A: ~~Revised and improve Title 49 to facilitate housing~~

*1B: Continue to monitor and track progress towards advancing the goals of the Housing Action Plan

*1C: Continue aggressive use of the Affordable Housing Fund, tax abatement, and other loan and grant programs (comment from members that they need to add more money to the AHF.)

*1D: Evaluate and revise current CBJ systems associated with managing land and revising Title 49 in order to get big things done fast.

*1E: Continue planning and implementation of (re)development of Telephone Hill, Pederson Hill, and the 2nd/Franklin property. (Mr. Kelly had suggesting adding the following note: "Apply for historic status for Telephone Hill properties. There is speculation that they do or don't qualify. Let the federal government make that determination." After discussion of this note, it was decided not to include this in the 2024 goals.)

*1F: Reduce barriers to downtown housing development

***Goal 2: Economic Development – Assure Juneau has a vibrant, diverse local economy.**

Implementing Actions:

2A: Update the Comprehensive Plan *and Title 49*

2B: ~~Draft a resolution adopting the long term goals of the VITF, establish contractual relationships with private dock managers, analyze existing passenger fee structure, and explore methods to create a pathway towards functional municipal management of the waterfront.~~ (The Resolution mentioned in this IA has been completed, the contract with CLAA has also been completed. Assemblymembers gave direction to staff on possibly rewording this implementing action).

2C: Implement project strategy for Juneau Economic Plan, including revitalizing downtown, with regular updates. (Members discussed updating the JEP but did not decide upon any final language to include in this IA.)

*2D: Explore financing for the Capital Civic Center. (This topic was scheduled on the December PWFC agenda.)

2E: Support Eaglecrest’s objective of becoming self-sufficient. *(Add clarifying language as to self-sufficiency for operational funds vs. Gondola and other CIP projects.)*

*2F: Pursue and plan for West Douglas and Channel Crossing.

~~2G: Explore options for redeveloping under used downtown property.~~ (Assembly consensus was to remove this IA)

Paul Kelly’s new Goal 2 IA: Improve childcare options and reduce cost for parents. – there was consensus not to include this IA in the new goals.

New IA 2G: *Collaborate with USCG and other partners on homeporting the icebreaker and to clear hurdles.*

***Goal 3: Sustainable Budget and Organization – Assure CBJ is able to deliver services in a cost efficient and effective manner that meets the needs of the community**

**3A: Develop strategy for fund balance and protect restricted budget reserve. (Assemblymembers discussed 3A & 3C and Christine Woll and Michelle Woll were tasked with rewriting 3A and that 3C was being eliminated.)

3B: Continue to evaluate sales tax structure including equity ~~and evaluate removing sales tax on food~~

~~**3C: Long term strategic planning for CIPs.~~ (See note under 3A above. This task is already part of the routine PWFC work.)

~~3D: Reduce mill rate as appropriate~~ (7 in favor of removing this AI, 2 against)

~~3E: Allocate resources to implement Assembly goals~~ (removed by consensus)

3F: Maintain Assembly focus on deferred maintenance including BRH and JSD; *including adding building efficiencies.* (new language added by consensus)

3G: Examine social service funding levels and process. (Keep IA but with possible wording changes from Christine Woll who will work with staff on new language.)

Possible new 3 IA from Paul Kelly re: tying the budget to the CPI. After discussion, Paul withdrew this suggestion.

Goal 4: Community, Wellness, and Public Safety – Juneau is safe and welcoming for all citizens.

4A: Acknowledge and honor Juneau’s indigenous culture, place names, naming policy, and recognize Elizabeth Peratrovich Day. (The naming policy is currently being worked on by the PRAC and will go to Lands next. The renaming of Heritage Way and the implementation of the Totem Trail were accomplished in 2023. HRC Chair Greg Smith will be working with HR Director Dallas Hargrave on the issue of “recognizing” Elizabeth Peratrovich or

Indigenous People’s Day but there is a need to determine what the term “recognize” means as it relates to establishing a CBJ holiday or other forms of recognition.)

4B: ~~Explore~~ government to government relations with tribes. (It was decided this IA needed some wordsmithing and Christine Woll and Michelle Hale will work on that with staff.)

4C: ~~Explore fully subsidizing transit and eliminating fares.~~ (It was decided, by a vote of 6 in favor and 3 against, to remove this IA as it has already been discussed in PWFC and it was made moot by the lack of drivers during this past summer.)

New 4 IA proposed by Paul Kelly: Take over the deeds and management of cemeteries on Douglas where the ownership cannot be traced. (This was not made into a Goal IA but was referred for additional discussion at a future COW meeting.)

New 4 IA proposed by Paul Kelly: Index the senior property tax exemption to inflation (This was removed from consideration due to legal restrictions.)

New 4 IA proposed by Paul Kelly: Explore options for protecting our residents from the natural hazards we face in Juneau including, avalanches, glacier outburst floods, and landslides (Not included in the goals since there is a pending ordinance related to this matter.)

New 4 IA proposed by Paul Kelly: Work with our partners in the Juneau Housing Coalition to create a strategic plan with clear goals and benchmarks. (The Juneau Housing & Homeless Coalition are already doing this and Mr. Kelly was the only one in favor of adding it to the Assembly goals so it was left off.)

New 4 IA proposed by Paul Kelly: Negotiate a multi-year contract with a non-profit to operate a cold weather shelter by Spring 2024. (Discussion took place on rewording this to “Ensure a Stable Cold Weather Emergency Shelter” and it was decided that Paul, Greg and ‘Wáahlaal Gídaag will be rewording this for addition as a new IA.)

New 4 IA proposed by Paul Kelly: Explore options for recruiting firefighters and police (there were only two votes in favor of adding this so it was not added to the goals.

Goal 5: Sustainable Community – Juneau will maintain a resilient social, economic, and environmental habitat for existing population and future generations.

Mayor Weldon pointed out that copies of the Juneau Commission on Sustainability letter were available to members for additional reference.

5A: Develop a zero waste or waste reduction plan (There has been lots of movement and discussion on this as well as action. They will be getting an update at PWFC on this topic. Wade Bryson, Michelle Hale, and Denise Koch will work on wordsmithing some new language for this IA.)

5B: ~~Develop strategy to measure, track and reduce CBJ energy consumption.~~ (Removed current 5B language and replace it with the following language suggested by JCOS) *Identify and prioritize the most cost-effective energy efficiency and electrification upgrades in the General Government facilities.*

*5C: Implement projects and strategies that advance the goal of reliance on 80% of renewable energy sources by 2045. (Paul Kelly’s proposed new IA about Goals 5B & 5C: “Install EV chargers in all CBJ parking lots and all CBJ enterprise parking lots. Install heat pumps in all city owned buildings” already falls under 5C and they decided to leave the language of 5C as is.)

5D: Prepare a changing climate hazards mitigation/resilience strategy. (Alicia Hughes-Skandijis will be working on redoing the wording on this IA related to “Developing a Clear Picture”.)

*5E: Develop strategy to reduce abandoned/junked vehicles (This IA was left in as is. This topic has been and will be continued to be worked on in PWFC.)

New 5 IA proposed by Paul Kelly: Update study on establishing a new landfill (This matter is already being worked on by PWFC and was left out of the goals/IA.)

After discussion, it was determined that the remaining two New 5 IAs proposed by Paul Kelly: “Find out how we maximize how many vessels use shore power” and “Increase the availability of renewable electricity in Juneau” fit in other places and did not need to be added to the IAs for Goal 5.

Mr. Barr noted that after today’s retreat work, he would take the notes back, work with those members who have been tasked with wordsmithing and finalize the goals to be brought back to the Assembly at a future meeting for review and approval.

G. ADJOURNMENT

There being no further business to come before the Assembly, the retreat was adjourned at 5:10p.m.

Signed: _____
Elizabeth J. McEwen
Municipal Clerk

Signed: _____
Beth A. Weldon
Mayor



MEMORANDUM

TO: City and Borough of Juneau Assembly
FROM: City and Borough of Juneau School District
DATE: January 29, 2024
SUBJECT: Juneau School District Budget Deficit Update

The Juneau School District is currently facing a combined projected deficit of \$7,895,073.

The district’s recent independent audit, presented in November 2023, of FY 2023 (the 2022-23 school year), identified a \$1,947,423 carryover deficit fund balance in the operating fund. A negative fund balance was also noted in the FY 2022 audit.

After the November 2023 audit, the district engaged an outside school finance specialist in December 2023, who completed a line-by-line analysis of the district’s approved FY 2024 budget. That approved FY 2024 budget was constructed between January-March of 2023 and was required to be presented to the City and Borough of Juneau Assembly by April 5, 2023.

The analysis revealed an overstatement of district revenue by nearly \$6 million and an understatement of district expenses by \$2.1 million in the adopted budget. The district’s projected deficit, when combined with the FY 2023 audit findings, was \$9.5 million.

The findings on the projected budget deficit were immediately disclosed in an advertised, public work session and meeting on January 9, 2024. Recordings of those and all other budget meetings are available to the public on the district website.

The district took immediate action to address the current and ongoing budget crisis, with a series of cost-saving measures and recommendations for structural changes to educational delivery, including school consolidation, building closure(s), and staff reductions.

Continued efforts and programmatic reductions have positioned the FY 2024 operating fund budget currently with a pending revised budget deficit in the amount of \$5,947,650. The FY 2023 ending fund balance is an additional deficit of \$1,947,423, for a total deficit of \$7,895,073.

To further address the projected FY 2024 and anticipated FY 2025 budget deficits, the district is interested in a conversation with the Assembly around non-instructional, shared services in the areas of maintenance, utilities, property insurance, and operational/custodial costs. There is a shared interest in safeguarding and maintaining the asset value of the facilities owned by the City and Borough of Juneau and operated by the Juneau School District, and there is a commitment by the district to manage and provide community services and programs that offer critical and valued service to the community.

The following are key areas identified in the recent budget revision.

BACKGROUND

Operating Fund: The Board adopted the operating fund budget in June 2023. Since that adoption, the District’s FY 2023 audit has been finalized and reflects a decrease of \$2,915,440 in fund balance compared to the projected amount in the adopted budget (\$968,017 original estimated fund balance, minus \$1,947,423 actual/audited fund balance). That issue, combined with the need to true-up actual operating revenue and expenses, was the basis for the budget revision.

Revenues:

Foundation

The district submitted its FY 2024 OASIS report to the Alaska Department of Education & Early Development on November 3. The district reported a decrease of 83 students from the spring 2023 adopted enrollment projection.

State Aid to Districts (One-Time Supplemental Funding)

These funds were appropriated from the FY 2023 legislature during the budgeting process. This number is preliminary because the State of Alaska is still finalizing the OASIS count for all school districts.

The \$2.7 million is the district’s portion of the one-time supplemental state funding appropriation by the legislature and was not included in the original budget adoption due to the timing of the appropriation by the legislature.

PERS/TRS On-Behalf

This revision aligns the flow-through funding to be closer to actual. The initial adopted budget overstated the PERS and TRS on-behalf revenue by \$4.3M.

Medicaid

Medicaid reimbursement is being decreased by \$175,000, as this is for services from FY 2023, reimbursed in FY 2024.

Tuition and Other Local Revenue

Immaterial adjustments were made to align with actual YTD and remaining projected receipts.

Expenditures:

PERS/TRS On-Behalf

The draft revision presented on January 9, 2024, aligns the flow-through activity to be closer to actual. The initial adopted budget overstated the on-behalf expense by \$4.3 million. The

overstated on-behalf expense were miscategorized as on-behalf payments. The expense should have been allocated to other salary and benefit lines to cover the costs of existing staff.

Reconciled Staffing Expense

As noted above, staffing and associated costs were miscategorized as an on-behalf expense (\$4.3 million). Additionally, the reconciliation process identified a budget shortfall of \$663,841 for current staffing levels.

PERS & TRS Employer Contributions

The calculation of employer contributions for PERS (22.0%) and TRS (12.56%) were under budgeted in the originally adopted budget. Increases in the amount of \$1.1 million for PERS and \$369,650 for TRS are needed to cover the employer-obligated contributions for current staff levels as of 12/19/2023.

Fund Balance

The FY 2023 ending fund balance is a deficit of \$1,947,423, along with an FY 2024 operating fund deficit of \$7,597,650.

Identified Reductions:

Since January 9, 2024, district administration have actively been identifying areas in which to realize savings. To date, \$1.65 million in savings have been identified through operations costs, carryover allotment categorization, and health insurance expenses. These identified savings have reduced the FY 2024 projected deficit to \$5,947,650, exclusive of the audited FY 2023 deficit fund balance. Those two figures together total \$7,895,073, down from \$9.5 million.

JSD FY 2024 Operating Fund Budget		January 29, 2024
Proposed adjustments to Board Adopted Budget from spring 2023		
Revenue:		
State Foundation	-\$4,181,553	Enrollment Driven
One Time Supplemental	\$2,764,319	Legislative
PERS/TRS Onbehalf	-\$4,348,686	Overstated originally
Medicaid Billing	-\$175,000	Adjust to YTD expected
Misc	-\$32,519	Adjust to YTD actual
Board Approved	\$75,221,700	\$69,248,261 REVISED
	-\$5,973,439	Board Approved Revenue
Expense:		
PERS/TRS Onbehalf	-\$4,348,686	Miscategorized in original FY24 Budget
Reconcile Staffing Expense	\$4,348,686	Miscategorized in original FY24 Budget as OBH expense
Reconciled Staffing Expense	\$663,841	Understated originally in Object Codes
PERS ER Contribution	\$1,156,120	Understated originally
TRS ER Contribution	\$369,650	Understated originally
Board Approved	\$74,656,300	\$76,845,911 REVISED
	\$2,189,611	Board Approved Expense
as of 1/9/24 Projection	Operating Budget FY24 Deficit	-\$7,597,650 REVISED *
		* Does not include FB FY23 deficit of \$1.94M
Additional identified reductions since 1/9/24 Projection		
Operations Savings	-\$350,000	Superintendent's reductions
HomeBRIDGE allocations	-\$300,000	Carryover allotments
Health Insurance Line Item	-\$1,000,000	Excess budget based on actual enrollments
	-\$1,650,000	
	Operating Budget FY24 Deficit	-\$5,947,650 REVISED
		-\$1,947,423 FY23 Audited Deficit
	Total Operating Budget Deficit	-\$7,895,073 REVISED

MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office
155 Heritage Way, Juneau, Alaska 99801
Dan.Bleidorn@juneau.gov
(907) 586-5252

TO: Deputy Mayor Hale and the CBJ Assembly COW
FROM: Dan Bleidorn, Lands and Resources Manager
THROUGH: Katie Koester, City Manager
SUBJECT: Results from the RFI for Available Lease Space for CBJ Offices
DATE: January 24, 2024

At the November 6, 2023, Public Works and Facilities Committee (PWFC) Meeting, staff were directed to issue a request for information (RFI) for office space for CBJ downtown workers. The COW discussed this topic at the December 18, 2023, meeting. This discussion involved three scenarios for CBJ office space needs that were based on the amount of square footage in the four leased office spaces downtown and City Hall. The CBJ Finance Department issued the RFI on December 21, and responses were due on January 22, 2024. As a reminder, the three office space scenarios were:

- 1) All CBJ downtown employees (164 staff) and Assembly Chambers relocate; 46,000 square feet.
- 2) Majority of downtown employees (99 staff) relocate; some employees and Assembly Chambers remain in current facility; 33,625 square feet.
- 3) Marine View relocates (50 staff); 17,000 square feet.

The CBJ received 3 responses to the RFI that are included as attachments to this memo. Summaries of the proposals follow.

Burns Building - 801 West 10th Street

This property is known as the Michael J. Burns Building or the PFD Building and is a 73,307 SF three-story office building. The response states that there is approximately 28,000 SF currently available with an additional 16,000 SF available in July 2025. There are 157 parking spaces for tenants and there is potential for 1 parking space per 520 SF of leased space. The response states that the starting lease rate would be between \$2.90 and \$3.10. The response also states that the available space is Class "A" office space and that there is enough space currently available to meet scenario 2 or 3 with potential to meet scenario 1 in 2025.

Bill Ray Center - 1108 West F Street

This property is known locally as the Bill Ray Center which is approximately 22,000 square feet. This response provides adequate information to determine that Dawson has the experience to remodel and potentially build additional space to meet the three scenarios in the RFI. This location includes a 38,000 square foot paved parking lot. To accommodate the RFI scenario 1 the property owner suggests remodeling the existing structure and building an additional 25,000 SF building above the existing parking lot. The proposed space would be built to suit. The response states that the timeframe for the space would be between 6 months and approximately 2 years depending on which of the three scenarios CBJ moves forward with. The

response states that the lease rate would be determined based on a 9.25% rate of return on the overall investment.

2354 and 2356 Mendenhall Loop Road

These properties appear to currently exist as hotel rooms or short-term rentals, as well as commercial lease space. The response states that these properties could be available for lease or purchase. The application includes options to achieve all three scenarios from the RFI. The parking plan states that there are two CBJ parking lots located close by at the skate park and another near Dey Ray Condos. In order to move forward with this location CBJ would need to evaluate the options for remodeling the space and convert it from hotel/apartment space into office space.

Staff recommends the Burns building for the following reasons:

- As existing vacant office space, it can accommodate CBJ needs quickly.
- The voters have turned down a proposal to invest in a city owned facility; contracting for major remodels of buildings (Bill Ray Center or Mendenhall Loop Road) could be seen as contrary to the intent of the voters.
- Converting residential space to office space (Mendenhall Loop Road option) would be contrary to the Assembly’s housing goals.
- The Burns building has enough space for multiple scenarios which gives the city flexibility as the Assembly continues to discuss plans for downtown employees.

Questions need to be answered before making any decisions about leased property such as:

- Can the Burns building accommodate an Assembly Chambers?
- Is the Assembly comfortable moving into 100% leased space?
- Is the Assembly comfortable moving most (scenario 2) downtown employees and leaving non-public facing staff at City Hall?
- Parking: one spot per 520 SF is not sufficient to meet CBJ needs (162 down town parking permits for all staff)
- Budget impact

Recommendation:

Authorize staff to enter into negotiations with Ricker Real Estate for the purposes of gathering information on the above questions and report back to the Assembly at the February 26 COW.

Discuss the Assembly’s comfort level of moving all CBJ employees to leased space, including Assembly Chambers, if that provides to be a viable option.

Attachments:

1. City RFI as advertised
2. Responses to the RFI:
 - a. 801 West 10th Street
 - b. 1108 West F Street
 - c. 2354 and 2356 Mendenhall Loop Road



Date of Issue: 12/21/2023

Request for Information (RFI) No. 24-234 **Office Space for CBJ**

Overview and Purpose: The City and Borough of Juneau, Alaska (City or CBJ), Finance Department, Purchasing Division, is issuing this Request for Information (RFI) at the request of the CBJ Managers Office. CBJ is considering alternative office space that is economically and operationally advantageous and is seeking responses from firms, realtors, contractors, developers, building owners or lessors, interested in providing office space as outlined in this document.

At a minimum, Responding Proposers must be able to provide office space for lease as described in this document. *Submit responses as requested in the Proposal Content section of the RFI, to the CBJ Purchasing Division, no later than **Monday, January 22, 2024 4:30 p.m. Alaska Time.***

RFI Process: CBJ will utilize responses to this RFI to develop a cost/benefit analysis and to conduct a preliminary review and evaluation of the availability of office space for lease. A response does not bind or obligate the responder or the City and Borough of Juneau to any agreement and lease. There will be no contract awarded to any Proposer who responds to this request. Using information supplied by this request, CBJ may or may not choose to move forward with a formal procurement process to be determined. In no way does submittal of information pursuant to the request for information give any Proposer any advantage in any future solicitation. Upon conclusion of the RFI, Proposers may be contacted to discuss responses in greater detail or to clarify responses. Note: Any material submitted to CBJ may be used to develop a future solicitation and must not contain proprietary or confidential information.

Should CBJ decide to pursue a formal procurement process and contract or lease agreement, CBJ anticipates utilizing an initial term of five (5) to ten (10) years, with an option to renew for five (5) additional one (1) year periods by mutual written agreement. Any terms and conditions will be negotiated with the awarded vendor after proper procurement process.

Pre-Proposal Meeting: A non-mandatory pre-proposal meeting will be held **January 8, 2024 at 10:00 a.m.** via teleconference. To attend, call 907-713-2140 Participation ID Code 748914. Vendors interested in submitting proposals should email CBJ Purchasing at purchasing@juneau.gov a minimum of twenty-four (24) hours prior to the scheduled meeting to provide notice of participation and submit any questions.

About Juneau: Located in the panhandle of Southeastern Alaska, on the traditional land of the Tlingit people, the City and Borough of Juneau consists of 3,250 square miles and is only accessible by air or sea. Juneau is Alaska's capital and has a population of approximately 31,000 people. Juneau is a major cruise port and is due to welcome nearly 1.67 million cruise visitors in 2023. Juneau is a temperate rainforest and receives around 92 inches of annual precipitation. For more details on a what a unique place Juneau is, visit the CBJ's [Website](#) .

Background: The City and Borough of Juneau is seeking office space to provide its citizens, visitors and employees with better access to municipal departments and services.

Requirements: Proposed office space must conform to one of the following scenarios:

Scenario 1: All CBJ downtown employees (164 staff) and the Assembly Chambers relocate into proposed office space to include Assembly Chambers. Proposed office space must have a minimum of 46,000 gross square feet of office space and on-site parking for visitors.

Scenario 2: Majority of CBJ downtown employees (99 staff) relocate. Employees at Chambers remain in City Hall building. Proposed office space must have a minimum of 33,625 gross square feet of office space and on-site parking for visitors.

Scenario 3: CBJ employees currently occupying offices in the Marine View building (50 staff) relocate. Proposed office space must have a minimum of 17,000 gross square feet of office space and on-site parking for visitors.

Proposed office space will include, but not be limited to the following:

- ADA compliant restrooms.
- Staff must have access to reliable restroom facilities in the building.
- Any proposed office space located on a second floor or higher, must have an elevator for access.
- On-site parking for visitors.
- Kitchen space, with available plumbing.
- Minimum of three (3) conference rooms.
- Supply storage/equipment area with a minimum of 200 square feet.
- Basement space is only acceptable for storage.
- Supply data ports with a minimum of one network drop per employee, and two (2) drops per each group of twelve (12) employees.

Preferred Optional Items:

- Lobby/waiting area, separate from employee workspace and storage area.
- Separate exit for staff to ingress/egress the workspace without going through the lobby/waiting area.
- Lobby/waiting area restrooms.
- Employee parking near proposed space.
- Supply data ports with two (2) network drops per employee plus two (2) drops per each group of eight (8) employees.

Locations: The proposed office space can be located anywhere in the City of Juneau.

Proposal Content: Provide the following information in your proposal:

1. Company name (if applicable), owner’s name and contact information including address, phone and email address(es). Name and contact information for persons with authority to represent property.
2. Building location and size of proposed office space in response to scenarios 1, 2, or 3.
3. Description of proposed office space, number of conference rooms, number of available restrooms, and any details on the specified preferred options.
4. Verification of the proposed space is ADA compliant, or will be made to be ADA compliant.
5. Verification of compliance with applicable building codes and applicable OSHA standards for occupancy.
6. Include details of available parking and/or parking plan.
7. Note any access to public transportation.
8. Specify what kind and number of available data ports, if the space has CAT6, CAT6A, or CAT5E cabling, and the network closet or data center that data ports connect to.
9. Include estimated date of when office space could be ready for CBJ occupancy.
10. Include estimated tenant improvement allowances.
11. Provide a complete list of all services included in lease (e.g. utilities, janitorial, plowing, etc.).
12. Provide a detailed list of estimated costs for services not included in lease if available.
13. Include estimated costs per square foot, based on a five (5) year lease, with four (4) five (5) year renewal options.

14. Provide information regarding any potential issues or concerns such as recent repairs, or planned upgrades, remodels and maintenance.

Submission: Please respond by providing the requested proposal content information. Make sure to include your complete company contact information; name, address, primary contact person, phone or cell number(s) and email address(es). Submit your response through Public Purchase, the City's e-Procurement platform by completing **the free (two-step) registration process** at [Public Purchase](#) or email your completed responses to Purchasing@juneau.gov - noting RFI No. 24-234 and the issuing buyer's name (Shelly Klawonn).

Deadline & Questions: All Responses are due prior to 4:30 p.m. AK time on January 22, 2024. Please direct all inquiries to Shelly Klawonn, Senior Buyer, City and Borough of Juneau, Purchasing Division, Finance Department. Email: purchasing@juneau.gov or shelly.klawonn@juneau.gov .

Conclusion: CBJ will review all responses and may contact proposers for further information. CBJ looks forward to your response and how your company can successfully offer a solution to the CBJ's Office Space needs as described in this document.

Issued by: Shelly Klawonn, Senior Buyer, CBJ Purchasing Division, Finance Department, 155 Heritage Way, Juneau, AK, 99801. // Phone: (907) 586-5215 ext. 4072 // Fax: (907) 586-4561

Ricker Real Estate Consulting, LLC

Management/Sales/Leasing A Commercial Brokerage

January 22, 2024

Shelly Klawonn, Senior Buyer
Finance Department, Purchasing Division
155 Heritage Way, Juneau, Alaska 99801
Email: Purchasing@juneau.gov

Re: Request For Information No. 24-234

Dear Shelly,

On behalf of the ownership of 801 West 10th, Inc. please see the attached response to RFI No. 24-234.

Built in 1982, 801 West 10th Street in Juneau, is a 74,307 gross square foot, 3 story office building. The building is owned by the Alaska Permanent Fund Corporation, holding 100% equity as their only investment within the State of Alaska. The ownership is very conscientious about maintaining its presence within the Juneau Office Market as a Class A office building.

Property Description:

The entire property consists of 5 rectangular parcels zoned LC. There are no known zoning, code, or ADA compliance issues. Parking is provided on the main and west entrances to the building, as well as Lot A and B. Parking lots have asphalt and concrete curbing and are striped. There are a total of 157 parking spaces for tenant use as demanded by typical lease requirements in the market. Public parking is also available on the street west of the building.

Building Description:

The building is generally square with two sets of interior stairwells located at opposite ends of the lobby area providing secondary access to the ground level and upper stories. The construction components include a fireproof steel frame with steel beams and deck. The floor structure is a concrete slab and metal deck with concrete cover. Heating is both electrical and oil with the HVAC located in the penthouse. Life/Safety Fire Protection includes sprinklers, audible alarms, and strobes with annual testing. There are two hydraulic passenger elevators located in the main lobby servicing all three floors. There is no freight elevator.

Tenant spaces are typical building standard finish with an open center core design with perimeter

1270 Fritz Cove Road, Juneau, Alaska 99801
PO Box 33037, Juneau AK 99803
| 907-540-2990 |
rickerrealestate@gmail.com
.rickerealestateak.com

offices located on each floor. The ceiling is suspended acoustical tile. Carpet is a short loop cemented over concrete.

This response is not a contract. The terms outlined above contain only a partial list of proposed points to serve as a basis for further negotiations and to guide the initial crafting of a contract. No contract shall exist, and no binding obligations or liability shall be created by this offer or by any oral or written representations or other statements of a party, unless and until the parties have duly executed and delivered a written integrated lease with the approval of the Real Estate Division of the Alaska Permanent Fund Corporation. Without limiting the scope of the preceding sentence, neither a change of position by a party during negotiations, including, but not limited to, the expenditure of time or money, nor any other action taken by a party in anticipation of a lease, shall impose any obligation or liability.

Alaska Statute 08.88.396 Agency Disclosure

Ricker Real Estate Consulting, LLC, Tracey Ricker (Broker) acts as an agent of the Landlord. Any broker involved in this transaction has the obligation of a duty of good faith, fair dealing, and honesty in fact in negotiating with the Tenant in this transaction.

We look forward to continued discussions regarding this opportunity.

Please call if you have any questions or clarification related to the response.

Regards,



Tracey Ricker, CPM
Broker/General Manager
Ricker Real Estate Consulting, LLC

1270 Fritz Cove Road, Juneau, Alaska 99801
PO Box 33037, Juneau AK 99803
| 907-540-2990 |
rickerrealestate@gmail.com
.rickerrealestateak.com

RFI No. 24-234 RESPONSE

- 1) Company Name: Ricker Real Estate Consulting, LLC
PO Box 33037, Juneau, Alaska 99803
rickerrealestate@gmail.com
907-540-2990
- Owner Name: 801 west 10th Street, Inc.
c/o L&B Realty Advisors
Scott Cronister, EVP - Asset Management
5910 N. Central Expy, Suite 1200
Dallas, TX 75206
- Building Location: 801 West 10th, Street
Juneau, Ak

2-3) Per the RFI, the floor plans can be modified as needed to suit CBJ's needs around the structural columns. Interior office walls can be easily removed. **The square footage of the three scenarios and their availability is subject to change based on leasing activities in the building.**

Scenario 1) 44,400 rentable square feet (1st and 2nd Floor)
Two Floors with 33 offices total, access to 4 bathrooms, 3 conference rooms, kitchen area.

Scenario 2) 33,600 rentable square feet (1st and 2nd Floor)
1st Floor: 3 offices with 3 conference rooms and a Board room with kitchen area.
2nd floor: 30 offices with 2 bathrooms and kitchen.

Scenario 3) 17,000 rentable square feet - 2 Options located on 1st or 2nd Floor. Two bathrooms are available with each option.

4-5) The building is ADA and building code/OSHA compliant to the best of our knowledge. We would need clarification of what source of verification would be needed to satisfy this requirement.

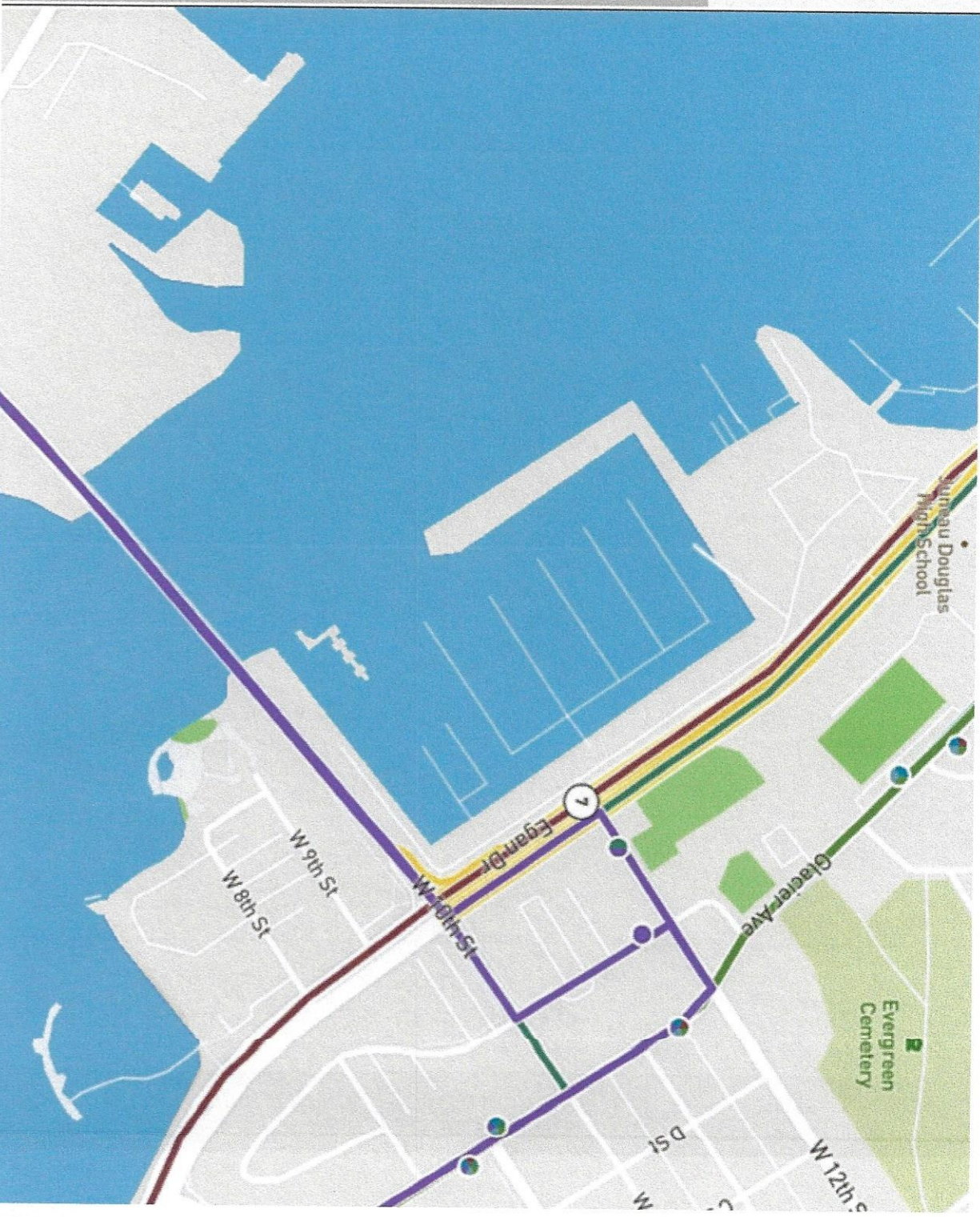
6) The number of parking spaces would be determined based on square footage occupied. There is potential for 1 parking space per 520 SF. This will be negotiated in a lease document.

7) Public Transportation route operated by CBJ Transit (Attached).

8) The building demarcation is on the first floor in the generator room. The second floor currently has a conduit to the demarcation point.

- 9) The entirety of the second floor, ~25,200 rentable square feet is currently available for lease. 3,386 rentable square feet on the first floor is currently available and an additional 15,814 square feet on the first floor could be phased in as the space becomes available. This additional space is anticipated to be available by July 1, 2025.
- 10) Tenant improvement allowance provided by the Landlord could be negotiated within the lease rate based on the scope of work required.
- 11) The building lease structure is considered to be “full service”. Janitorial, security, all utilities including heat, common area maintenance, snow removal, and landscaping, are included in the lease rate.
- 12) Tenant would be responsible for internet and IT needs.
- 13) Starting Base Rents based on a 10-year lease term currently range between \$2.90 - \$3.10 per square foot per month. Annual escalations are 3% per year.
- 14) There are no potential issues or concerns relating to maintenance, planned upgrades, or remodels at this time.

- Express
- Connector
- Counterclockwise
- Clockwise
- Ass





DCI Property Management
Invest. Build. Manage.

a division of **Dawson**

January 22, 2024

City and Borough of Juneau
Purchasing Division, Finance Department
Shelly Klawonn, Senior Buyer
shelly.klawonn@juneau.gov
purchasing@juneau.gov

RE: Request for Information No. 24-234 Office Space for CBJ

Dear Shelly and Selection Committee:

DCI Properties is pleased to respond to this Request for Information regarding CBJ's need for office space to allow better access to municipal departments and services for the citizens, visitors, and employees in Juneau. We are excited to offer the property located at 1108 F Street in downtown Juneau. Known locally as the Bill Ray Center (BRC), this building is located across 9th Avenue from the Permanent Fund Building and just one block from the Federal Building. Constructed of concrete reinforced panels, the building has two levels, and approximately 22,000 gross square feet. The site is zoned Light Commercial, and covers an area of approximately one acre.

We intentionally responded to your RFI with general responses that are open to negotiation as we have countless office space and parking scenarios that could be developed in the best interests of CBJ. We look forward to discussing the possible scenarios and finding one that will meet your needs.

Thank you for for the opportunity to respond to this RFI. We appreciate the opportunity to partner with CBJ and look forward to next steps.

Sincerely,

A handwritten signature in blue ink, appearing to read "Pete Dawson".

Pete Dawson
CEO, DCI Properties
Dawson Construction
pdawson@dawson.com

8401 Airport Boulevard
Juneau, AK 99801
phone: 360.296.1000



CONSTRUCTION EXPERIENCE

Most know Dawson Construction as a local General Contractor with our office located at 8401 Airport Boulevard.

Dawson is known for having completed notable projects in Juneau including the Sealaska Heritage Arts Institute, Juneau International Airport terminal expansion, SEARHC Vintage Park Medical Office Building, Bartlett Regional Hospital Behavioral Health Facility, and more.



Above (left to right): Sealaska Heritage Institute, SEARHC Medical Office Building, BRH Behavioral Health Facility

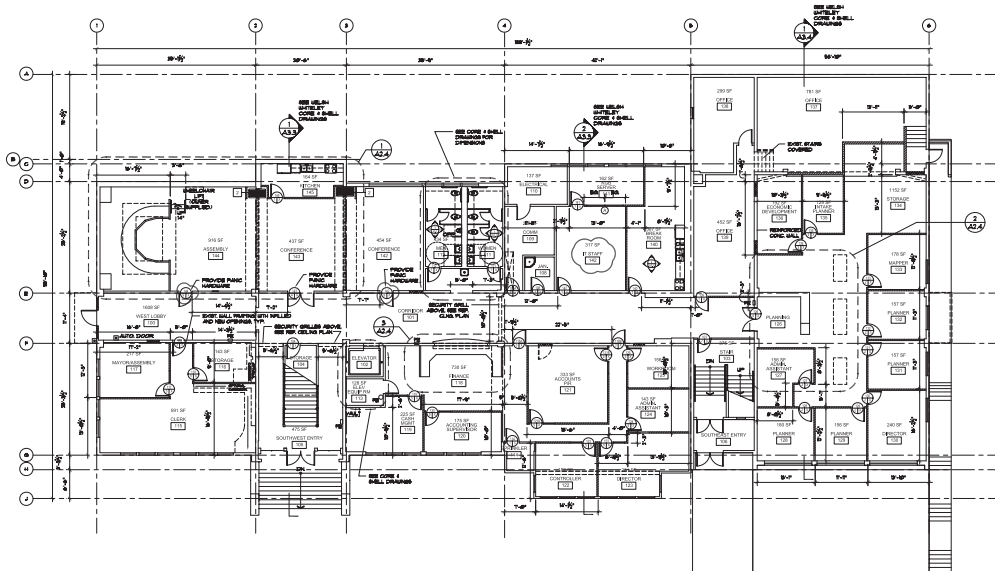


DEVELOPMENT EXPERIENCE

What you may not be as familiar with is Dawson's extensive experience as a developer. We believe this is important because our combined experience brings cost, schedule, and scope predictability to your project. Perhaps most relevant is the development of Ketchikan's condemned White Cliff Elementary school into Ketchikan Borough offices located at 1900 1st Avenue in Ketchikan.

Floor plan for office space conversion (below)

38,260 square ft converted into Ketchikan Borough office space (above)



Zerve Group Architects
 1000 1st Avenue
 Ketchikan, Alaska 99901
 Phone: 907.225.1111
 Fax: 907.225.1112
 Email: info@zervegroup.com

- KEY**
- Existing Construction
 - New Construction
 - Interior
 - Exterior
 - Wall Opening
 - Door Opening
 - Window Opening
 - Roof Opening

- NOTES**
- Verify All Existing Construction
 - See Sheet A-1 for Interior Door & Window Types
 - See Sheet A-2 for Exterior Wall, Door, & Window Details (Refer to the Detail Type 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100)
 - See Sheet A-3 for Exterior Wall, Door, & Window Details (Refer to the Detail Type 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100)
 - See Sheet A-4 for Exterior Wall, Door, & Window Details (Refer to the Detail Type 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100)
 - See Sheet A-5 for Exterior Wall, Door, & Window Details (Refer to the Detail Type 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100)
 - See Sheet A-6 for Exterior Wall, Door, & Window Details (Refer to the Detail Type 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100)
 - See Sheet A-7 for Exterior Wall, Door, & Window Details (Refer to the Detail Type 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100)
 - See Sheet A-8 for Exterior Wall, Door, & Window Details (Refer to the Detail Type 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100)
 - See Sheet A-9 for Exterior Wall, Door, & Window Details (Refer to the Detail Type 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100)
 - See Sheet A-10 for Exterior Wall, Door, & Window Details (Refer to the Detail Type 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100)

CONSTRUCTION DOCUMENT

Scale: 1/4" = 1'-0"
 Date: 10/1/2023
 Project: Ketchikan Gateway Borough
 Drawing: 41

KETCHIKAN GATEWAY BOROUGH
 TENANT IMPROVEMENT
 FIRST FLOOR

Our development experience also includes the projects on the following pages:

WESTERN WASHINGTON UNIVERSITY OFFICES

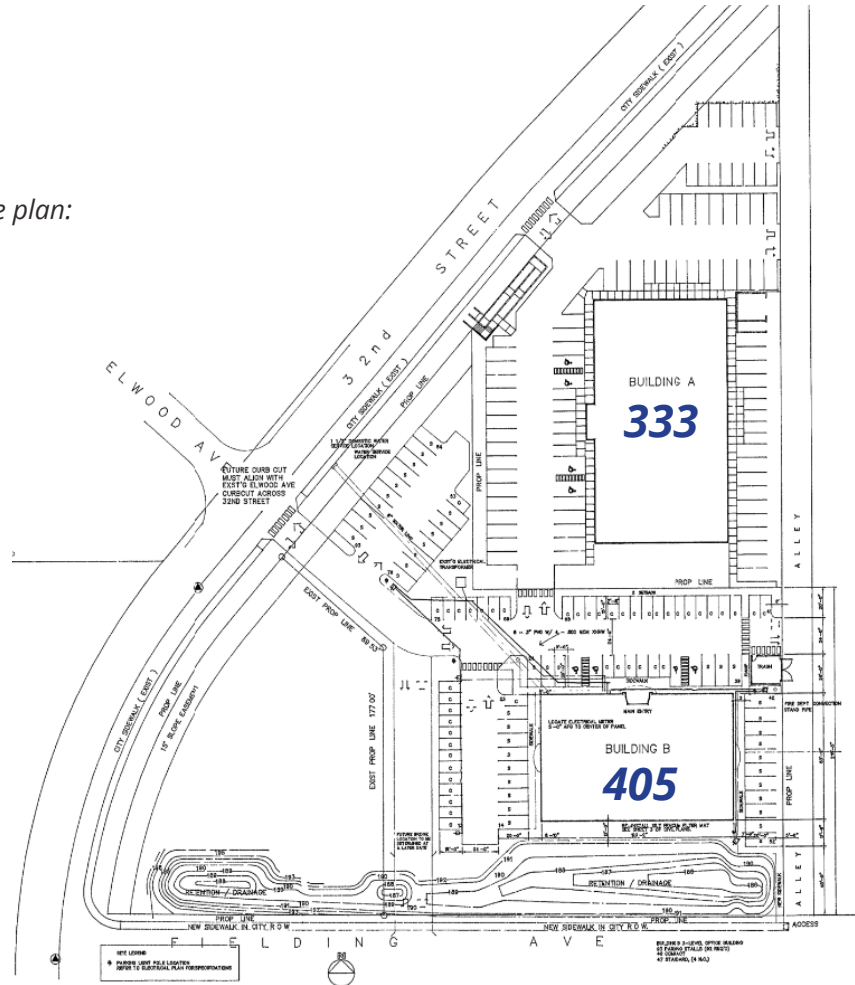
DCI developed two adjacent office buildings in Bellingham, WA, to house Western Washington University offices as well as Dawson Construction and DCI Properties Bellingham locations. Located at 333 and 405 32nd Street, the buildings are 29,990 and 32,020 square feet respectively.



405 32nd Street office building space exterior and lobby



32nd Street Development site plan:



BLAIR PARK MIXED USE COMMERCIAL AND HOUSING

Blair Park is a mixed use building located in Bellingham, WA, that combines residential units and commercial office space. Over structured parking, Blair Park is 83,880 square feet.



MAPLE STREET MIXED USE COMPLEX

Maple Street is a four-phased, mixed use complex located in Bellingham, WA, that combines residential units and commercial office space and structured parking. Located at 200 E Maple Street, the building consists of 42,490 square feet.





DAWSON JUNEAU OFFICE

Dawson's Juneau office at 8401 Airport Boulevard is a 8,260 square foot building. It was a welding shop converted into office and construction staging yard.



CEDAR GROVE APARTMENTS

Cedar Grove Apartments is a residential complex located in Bellingham, WA. Located at 1300 and 1310 Telegraph Road, the buildings total 97,290 square feet combined.



Provide the following information in your proposal:

1. Company name (if applicable), owner's name and contact information including address, phone and email address(es). Name and contact information for persons with authority to represent property.

Pete Dawson	Kristen Murdock
CEO, DCI Properties	Manager, DCI Properties
pdawson@dawson.com	kmurdock@dc-properties.com
8401 Airport Boulevard	8401 Airport Boulevard
Juneau, AK 99801	Juneau, AK 99801
phone: 360.296.1000	phone: 360.318.4841

2. Building location and size of proposed office space in response to scenarios 1, 2, or 3.

We are excited about the various options we can provide to CBJ at the Bill Ray Center located at 1108 F Street in downtown Juneau. The current building is approx 22,000 gsf on two levels with an approximately 38,000 sf paved parking lot on West side of F Street. The East side of BRC was designed to add an additional third story.

Scenario 1 (46,000 gsf)

- Our site should be able to provide for Scenario 1 but would require additional study to confirm, given height restrictions, easements, etc.
- Wayne Jensen, JYW who designed the Bill Ray Center, contemplates a scenario which would combine a renovated BRC's 21,000 gsf of office space with a new 25,000 gsf office over 1 ½ or 2 layers of structured parking on the West side of F street.

Scenario 2 (33,625 gsf)

- Would combine a renovated BRC's 21,000 gsf of office space with a new 12,625+ gsf office over structured parking on the West side of F street.

Scenario 3 (17,000 gsf)

- Would consist of a renovated BRC (21,000 gsf) for CBJ's exclusive use with surface parking on west side of F street.

3. Description of proposed office space, number or conference rooms, number of available restrooms, and any details on the specified preferred options.

Office space would be built to suit.

4. Verification of the proposed space is ADA compliant, or will be made to be ADA compliant.

Office to be ADA compliant when built.

5. Verification of compliance with applicable building codes and applicable OSHA standards for occupancy.

Office to comply with applicable codes and OSHA standards when built.

6. Include details of available parking and/or parking plan.

Surface and/or structured parking would be provided as in the best interest of CBJ and aligned with the office space scenario ultimately selected.

7. Note any access to public transportation.

Public Transportation is available near the Bill Ray Center site.

8. Specify what kind and number of available data ports, if the space has CAT6, CAT6A, or CAT5E cabling, and the network closet or data center that data ports connect to.

Data would be provided as in the best interests of CBJ.

9. Include estimated date of when office space could be ready for CBJ occupancy.

- **Scenario 3** – within 6 months of Executed Lease and approved Building Permits
- **Scenario 2** – could be phased with 21,000 gsf (BRC) provided within 6 months, remaining 12,625 + gsf provided within 12 months, of Executed Lease and approved Building Permits
- **Scenario 1** – same as scenario 2, except allow 16 months for the structured parking and new office space upon Executed Lease and approved Building Permits

10. Include estimated tenant improvement allowances.

As negotiated

11. Provide a complete list of all services included in lease (e.g. utilities, janitorial, plowing, etc.).

As negotiated

12. Provide a detailed list of estimated costs for services not included in lease if available.

As negotiated

13. Include estimated costs per square foot, based on a five (5) year lease, with four (4) five (5) year renewal options.

As negotiated. In general terms, developer is looking for a 9.25% return on the overall investment with an extended lease duration (or buyout provision) to justify the investment. Will work open book to determine lease rate.



14. Provide information regarding any potential issues or concerns such as recent repairs, ongoing issues, planned upgrades, remodels and maintenance.

We plan on demolishing the current BRC down to an insulated shell condition this winter, and starting on workforce housing and storage renovations this spring/summer if it turns out that this is not a fit for CBJ office.

Closing

Thank you for considering our response. Please do not hesitate to reach out to Pete Dawson or Kristen Murdock if you have any additional questions. Thank you!

RFI No. 24-234 CBJ Office Space		
<i>D & M Rentals, Donald Madsen, PHONE: 907-723-8200, EMAIL: DCM7897206@gmail.com</i>		
<i>Represented by Mandy Massey, PHONE: 907-321-0050, EMAIL: homes@mandymassey.com</i>		
<p>IMPORTANT NOTE: Below, please find 2 columns describing separate properties as potential solutions for Scenarios 2 & 3; 2354 & 2356 Mendenhall Loop Rd. Both are open for negotiations to lease or purchase. In addition to 2354 & 2356 Mendenhall Loop Rd, there is a 3rd building that may be available for negotiations to either lease or purchase which is not described below: Parcel #5B1601020171 / 9400 Glacier Hwy aka Frontier Suites - Main Building, consisting of approximately 31,617 sq ft of additional gross living space.</p>		
<p>SCENARIO 1: LEASE OR PURCHASE ALL 3 PROPOSED PROPERTIES</p>		
<p>SCENARIO 2: LEASE OR PURCHASE 2 OF 3 PROPOSED PROPERTIES</p>		
<p>SCENARIO 3: LEASE OR PURCHASE 1 PROPOSED PROPERTY</p>		

		
	<p align="center">PROPERTY DETAILS: 2354 Mendenhall Lp Rd</p>	<p align="center">PROPERTY DETAILS: 2356 Mendenhall Lp Rd</p>
<p>PROPOSED PROPERTIES: 2 Options or Combo:</p> <ul style="list-style-type: none"> • ADA compliant restrooms. 	<p align="center">Yes</p>	<p align="center">Yes</p>
<ul style="list-style-type: none"> • Staff must have access to reliable restroom facilities in the building. 	<p align="center">Yes</p>	<p align="center">Yes</p>
<ul style="list-style-type: none"> • Any proposed office space located on a second floor or higher, must have an elevator for access. 	<p align="center">Yes</p>	<p align="center">Yes</p>
<ul style="list-style-type: none"> • On-site parking for visitors. 	<p align="center">Some</p>	<p align="center">Some</p>
<ul style="list-style-type: none"> • Kitchen space, with available plumbing. 	<p align="center">Yes</p>	<p align="center">Yes</p>
<ul style="list-style-type: none"> • Minimum of three (3) conference rooms. 	<p align="center">Yes</p>	<p align="center">Yes</p>
<ul style="list-style-type: none"> • Supply storage/equipment area with a minimum of 200 square feet. 	<p align="center">Yes</p>	<p align="center">Yes</p>
<ul style="list-style-type: none"> • Basement space is only acceptable for storage. 	<p align="center">No basement space.</p>	<p align="center">No basement space.</p>
<ul style="list-style-type: none"> • Supply data ports with a minimum of one network drop per employee, and two (2) drops per each group of twelve (12) employees. 	<p align="center">Yes, a consultation with an Electrician to confirm additional data drops may be required.</p>	<p align="center">Yes, a consultation with an Electrician to confirm additional data drops may be required.</p>
<p>Preferred Optional Items:</p>		
<ul style="list-style-type: none"> • Lobby/waiting area, separate from employee workspace and storage area. 	<p align="center">Yes</p>	<p align="center">Yes</p>
<ul style="list-style-type: none"> • Separate exit for staff to ingress/egress the workspace without going through the lobby/waiting area. 	<p align="center">Yes</p>	<p align="center">Yes</p>

	• Lobby/waiting area restrooms.	Yes	Yes
	• Employee parking near proposed space.	Parking variables include the existing tenants. Also, There is concern regarding the number of spaces currently available. We observed that there are two (2) lots owned by the CBJ very close to these two parcels: one was the skate park, and another across the street near Del Rae Condos. If there was an opportunity to develop those into parking spaces, perhaps this scenario would be acceptable.	Parking variables include the existing tenants. Also, There is concern regarding the number of spaces currently available. We observed that there are two (2) lots owned by the CBJ very close to these two parcels: one was the skate park, and another across the street near Del Rae Condos. If there was an opportunity to develop those into parking spaces, perhaps this scenario would be acceptable.
	• Supply data ports with two (2) network drops per employee plus two (2) drops per each group of eight (8) employees.	Yes, a consultation with an Electrician to confirm max # of data drops may be required.	Yes, a consultation with an Electrician to confirm max # of data drops may be required.
	Locations: The proposed office space can be located anywhere in the City of Juneau.	2354 Mendenhall Loop Rd, Juneau, AK 99801	2356 Mendenhall Loop Rd, Juneau, AK 99801
Proposal Content: Provide the following information in your prop			
	1. Company name (if applicable), owner's name and contact information including address, phone and email address(es). Name and contact information for persons with authority to represent property.	2354 Mendenhall Loop Rd, Juneau, AK 99801 D & M Rentals, Donald Madsen, PHONE: 907-723-8200, EMAIL: DCM7897206@gmail.com, ADDRESS:	2356 Mendenhall Loop Rd, Juneau, AK 99801 D & M Rentals, Donald Madsen, PHONE: 907-723-8200, EMAIL: DCM7897206@gmail.com.
	Represented by:	Represented by Mandy Massey, AK Real Estate Licensee #133907, eXp Realty, Southeast Alaska	Mandy Massey, AK Real Estate Licensee #133907, BROKERAGE: eXp Realty, Southeast Alaska
	Rep Contact Info:	907-321-0050 homes@mandymassey.com	907-321-0050 homes@mandymassey.com
	2. Building location and size of proposed office space in response to scenarios 1, 2, or 3.	2354 Mendenhall Loop Rd, Adjacent to 2356 Mendenhall Loop Rd.	2356 Mendenhall Loop Rd, Located next to Grandma's Feather Bed.
	Approximate 'Rentable Sq Ft	up to 12,481	up to 26,159
	Approximate Lot size	21,780	10,890
	3. Description of proposed office space, number or conference rooms, number of available restrooms, and any details on the specified preferred options.	This space is currently used as a Hotel / Extended Stay, and is set up as single rooms and suites, lobby, break rooms, conference rooms, storage, conference rooms, etc. More info is available upon request.	This space is currently used as a Hotel / Extended Stay, and is set up as single rooms and suites, lobby, break rooms, conference rooms, storage, conference rooms, etc. More info is available upon request.
	# of Units	20	44
	# of Restrooms	25	49
	# of Conference Rooms	Options/Modifications Available.	Options/Modifications Available.
	Other	Approx 5000 sq ft commercial retail space (Orca Room, Dominos, Bakery, etc)	N/A
	4. Verification of the proposed space is ADA compliant, or will be made to be ADA compliant.	ON FILE	ON FILE

5. Verification of compliance with applicable building codes and applicable OSHA standards for occupancy.	ON FILE	ON FILE
6. Include details of available parking and/or parking plan.	Parking variables include the existing tenants. Also, There is concern regarding the number of spaces currently available. We observed that there are two (2) lots owned by the CBJ very close to these two parcels: one was the skate park, and another across the street near Del Rae Condos. If there was an opportunity to develop those into parking spaces, perhaps this scenario would be acceptable.	Parking variables include the existing tenants. Also, There is concern regarding the number of spaces currently available. We observed that there are two (2) lots owned by the CBJ very close to these two parcels: one was the skate park, and another across the street near Del Rae Condos. If there was an opportunity to develop those into parking spaces, perhaps this scenario would be acceptable.
7. Note any access to public transportation.	Approximately 500 ft to nearest CBJ Bus Stop	Approximately 400 ft to nearest CBJ Bus Stop
8. Specify what kind and number of available data ports, if the space has CAT6, CAT6A, or CAT5E cabling, and the network closet or data center that data ports connect to.	Yes, a consultation with an Electrician to confirm max # of data drops may be required. More information is available upon request.	Yes, a consultation with an Electrician to confirm max # of data drops may be required. More information is available upon request.
9. Include estimated date of when office space could be ready for CBJ occupancy.	4-12 months	4-12 months
10. Include estimated tenant improvement allowances.	Negotiable	Negotiable
11. Provide a complete list of all services included in lease (e.g. utilities, janitorial, plowing, etc.).	Negotiable. Likely Water, Sewer, Lawn Maintenance & Snow Removal.	Negotiable. Likely Water, Sewer, Lawn Maintenance & Snow Removal.
12. Provide a detailed list of estimated costs for services not included in lease if available.	Unknown	Unknown
13. Include estimated costs per square foot, based on a five (5) year lease, with four (4) five (5) year renewal options.	Negotiable	Negotiable
14. Provide information regarding any potential issues or concerns such as recent repairs, ongoing issues, planned upgrades, remodels and maintenance.	More information available upon request.	More information available upon request.



TO: Deputy Mayor Hale and CBJ Assembly
FROM: Katie Koester, City Manager
DATE: January 24, 2024
RE: City of Hoonah's Petition to the Local Boundary Commission to form the Xunaa Borough

The City of Hoonah filed for incorporation of the [Xunaa Borough](#) as a home rule borough. The proposed Xunaa Borough would share a boundary with the west side of the City and Borough of Juneau and contain territory that at one point, CBJ made efforts to annex. The attached memo from Land Manager Bleidorn details the recent annexation attempts by CBJ. Because of the history and strong ties to this region, the Assembly may want to submit formal comments to the Local Boundary Commission on Hoonah's petition. The deadline to do so is the end of February.

Mayor Weldon, Deputy Manager Barr, and I met with Hoonah Mayor Bill Miller and Administrator Dennis Gray. We shared concerns CBJ may have to what we refer to as 'Area D' in figure 3 from the 2019 Petition (Mansfield Peninsula and Horse & Colt Islands). This did not come as a surprise to Hoonah officials based on earlier CBJ annexation attempts and past conversations with the administration.

The 2019 CBJ Petition made arguments that are still relevant today for 'Area D' strong social, economic and cultural ties to CBJ, which is one of the standards the LBC uses when considering annexation petitions.

- The model borough boundaries, established by the state include Mansfield Peninsula within CBJ.
- Horse and Colt Islands have private parcels, many of them with structures. Many of the private property owners have CBJ mailing addresses and visit CBJ to retrieve mail and shop for supplies. They also use CBJ services and rely on CBJ development to access the islands, such as CBJ Docks and Harbors facilities.
- Shelter Island has recreational and residential properties similar to Horse and Colt, yet is part of CBJ and taxed accordingly (outside of the urban service boundary).
- There are non-profit entities that own or manage property in the proposed area that are headquartered in CBJ. (As an example, the Point Retreat Lighthouse has a mailing address in Juneau) There are also native corporations with land holdings that are based in Juneau.
- There are commercial tourism operations in this area that are based in Juneau (Orca Pont Lodge on Colt Island, for example).
- Greens Creek mine. While we don't know the mines expansion plans, it would complicate mining operations for the site to be under multiple jurisdictions. Greens Creek has obvious economic ties to CBJ as a large property taxpayer and home to many employees.

If the Assembly chooses to comment on the Xunaa Borough petition, I recommend commenting in support of the petition overall and only oppose portions of 'Area D' that include Horse and Colt Islands and land adjacent to Greens Creek mine. During previous CBJ annexation discussions, Funter Bay was excluded from consideration after extensive public testimony. I do not recommend opening back up that conversation.

Recommendation: Discuss commenting on the Xunaa Borough petition and specific objections to:

- Horse and Colt Islands
- Area adjacent to Greens Creek Mine
- Point Retreat Lighthouse

Direct staff to draft a resolution objecting to the inclusion of the selected above areas in the Xunaa Borough petition.

MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office
155 Heritage Way, Juneau, Alaska 99801
Dan.Bleidorn@juneau.gov
(907) 586-5252

TO: Deputy Mayor Hale and members of the CBJ COW
FROM: Dan Bleidorn, Lands and Resources Manager
SUBJECT: A brief history of CBJ annexation
DATE: January 24, 2024

Annexation means adding territory to the boundaries of a borough, and the standards can be found at 3 AAC 110.160. Similarly, the boundaries of a city may be adjusted to allow a city to accommodate growth and adapt to the changing needs. Annexation may result in extending city services, city regulations, city voting privileges, and city taxing authority to the annexed territory.

The Local Boundary Commission (LBC) has promulgated standards designed to ensure compliance with the directives of Article X, Section 3 of the Alaska Constitution, requiring that boroughs include the "population, geography, economy, transportation and other factors" necessary to "embrace an area and population with common interests to the maximum degree possible." 3 AAC 110.060.

The Local Boundary Commission ensures arguments for and against proposals to create or alter municipal governments are analyzed objectively and take areawide and statewide needs into consideration. The LBC reviews and decides most annexation petitions. Some petitions are decided by action or inaction of the Legislature. In 1997, the LBC created model borough boundaries, which established a frame of reference in the evaluation of future petitions. The LBC recognized that often separate regions can advance persuasive arguments that large undeveloped areas should be included within their regional government. In creating model boundaries, the LBC was proactively identifying which areas of the unorganized borough likely fit best with which regions or municipalities. For example, the LBC delineated areas neighboring the CBJ that could be incorporated into a future expanded Juneau Borough. (Figure 1)

The CBJ addressed three notable annexation issues in the last few decades. The most recent annexation issues derive support from the [2007 final report from the CBJ Annexation Study Commission, which was created by Mayor Botelho.](#)

1989 Northern Portion of Admiralty Island (Greens Creek Mine)

In 1989, the CBJ petitioned to annex 140 square miles. CBJ Resolution 1382. The area contained the Greens Creek Mine. While the annexation proposal was resolutely opposed by inhabitants of the adjacent region, no competing borough proposal was filed, and the petition was approved.

2010-2012 Tracy Arm/Endicott Arm re Petersburg Borough

In late 2010, the City of Petersburg submitted a petition to become a borough and govern a substantial area just south of the CBJ. Importantly, Petersburg sought to include the Tracy Arm and Endicott Arm areas within the CBJ’s model borough boundary. The CBJ filed a competing annexation petition for the Tracy Arm/Endicott Arm areas. (Figure 2). Ultimately, the LBC considered Petersburg’s petition first and partially granted the petition. Importantly, the LBC considered the CBJ’s public comments in opposition and (1) included Endicott Arm in the new Petersburg Borough, but (2) left the Tracy Arm area in the unorganized borough (i.e. not in the CBJ’s or Petersburg’s boroughs). The CBJ did not believe the LBC had given enough consideration to the CBJ’s petition regarding the Endicott Arm area, litigated the issue, and ultimately lost in the Alaska Supreme Court.

2018-2019 Tracy Arm, N. Admiralty Island (ex. Funter Bay), Horse & Colt Islands

In 2018, the Juneau Assembly voted to prepare and submit an annexation petition by legislative review. A territory may be annexed without approval by the voters or property owners under the legislative review process, which requires review by the LBC and the Alaska State Legislature. Legislative review petitions follow a similar process as local action petitions and allow for the same public comment periods. The difference occurs after the LBC recommends approval in a legislative review petition. In that case, the LBC presents its approval to the Legislature during the first 10 days of a regular session of the Legislature. The Legislature then has the opportunity to act on the LBC’s recommendation for approval. If the Legislature adopts a concurrent resolution to deny the recommendation within 45 days of the date that it was filed, then the recommendation is denied. If the Legislature takes no action, it has tacitly approved the proposal. In other words, this means that the annexation is approved unless the legislature specifically denies it within the 45-day period.

The proposed annexation would have resulted in the CBJ absorbing approximately 1,428 square miles currently located in the State’s unorganized borough. Figure 3 illustrates the annexation area which included four areas:

- A. Area A (Tracy Arm): described as the Tracy Arm Area between the existing CBJ boundary and south to the Petersburg Borough;
- B. Area B (Glass Peninsula/Pack Creek): lands abutting and in Seymour Canal beginning with the Pack Creek watershed and including all lands to the north that drain into Seymour Canal, the Glass Peninsula;
- C. Area C (S. Greens Creek Mine): an area south of the Greens Creek Mine and the existing CBJ boundary that encompasses all lands that drain into Wheeler Creek and lands to the west of the Wheeler Creek basin that drain directly into Chatham Strait; and
- D. Area D (Mansfield Peninsula, Horse & Colt Islands, excluding Funter Bay): an area including Horse and Colt Islands, all of the lands on Admiralty Island to the north of Hawk Inlet, including Mansfield Peninsula, but excluding those lands that lie with the watersheds that drain into Funter Bay, and. Funter Bay was originally included in the application but following public comment, the CBJ removed Funter Bay from the proposed territory for annexation.

In June 2019, the CBJ submitted its draft petition for an informal technical review. LBC Staff responded with suggestions and corrections. After gathering more information and holding substantial public meetings, in August 2019, the CBJ submitted an annexation petition for a [formal technical review](#). LBC Staff found a few significant errors and returned the petition as deficient under 3 AAC 110.440. The CBJ has not revived the petition since that feedback.

Facts Related to Xunna Borough Petition regarding Mansfield Peninsula, Horse & Colt Islands

In the current Xunna annexation petition, the Xunna Borough proposes to include Mansfield Peninsula and Horse & Colt Islands. (Attachment 4) As evidenced in the 2018/19 CBJ annexation material, those areas had stronger connections to the CBJ than any other community.

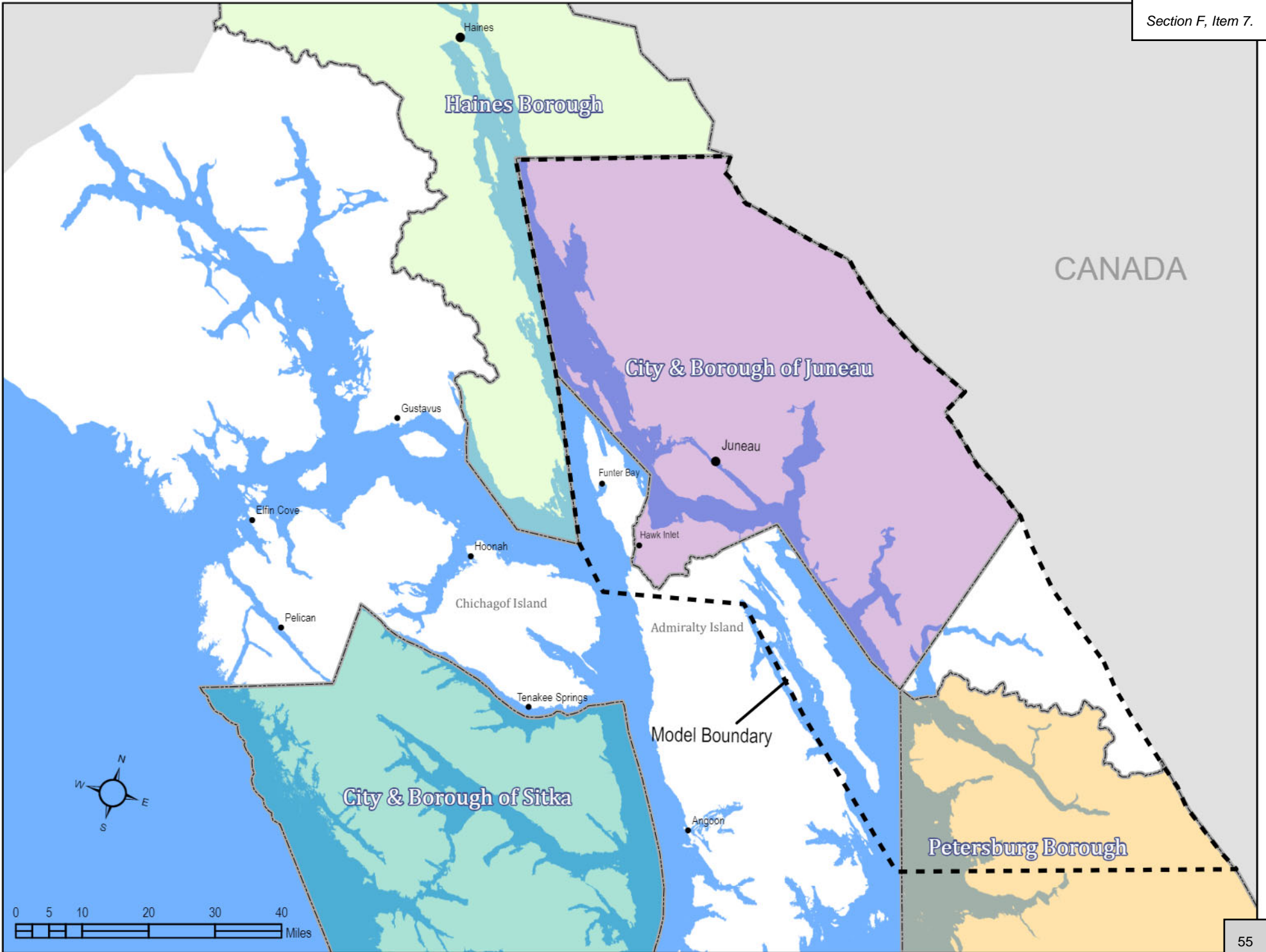
When evaluating an annexation petition, some of the most important considerations for the LBC are the social, cultural, and economic characteristics and activities in the proposed annexation area. (3 AAC 110.160(a)). The private property owners within the 2019 CBJ proposed annexation areas had strong ties to the CBJ. The non-profit associations who manage property within the proposed annexation areas are headquartered in the CBJ including the two non-profit organizations who own or manage property on the Mansfield Peninsula that are also based in the CBJ.

The commercial properties within the proposed areas have strong connections to the CBJ including commercial guiding. In addition to the property owned by Greens Creek Mine in Area C, there are two other mining companies who own property in Area C, as well as Juneau-based mining company who has active mining rights in Area D close to the existing Greens Creek Mine. There is reasonable likelihood that future growth and development of the Greens Creek Mine or other mines may occur within the proposed annexation areas.

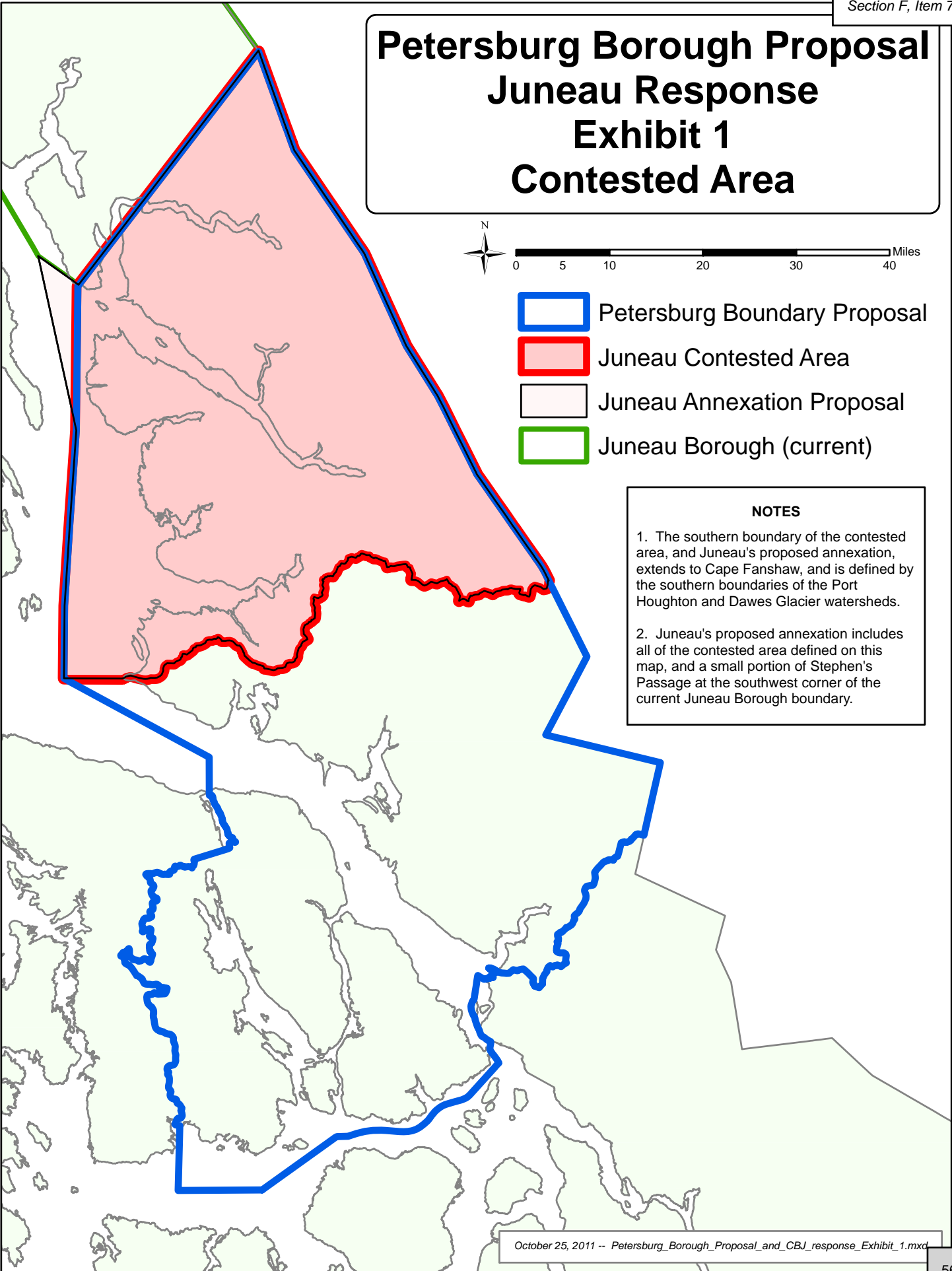
CBJ residents recreate in the proposed annexation areas, own property, have built houses and cabins, and most travel directly from CBJ facilities managed by Docks and Harbors. Additionally commercial and fisheries activities in the proposed annexation area are compatible with the existing borough, as better explained in the digitally attached 2019 Legal Brief (Attachment 6). For these reasons, the CBJ may consider partially opposing the new City of Hoonah petition to form a Borough and include a small portion of the CBJ designated Model Boundary.





Attachments:

1. Figure 1: Juneau Model Borough Boundary
2. Figure 2: 2011 Petersburg Borough Proposal Juneau Response
3. Figure 3: 2019 CBJ Petition Areas
4. Figure 4: Proposed Xunaa Borough
5. August 2019 CBJ [Formal Technical Review](#) (digital only)
6. Exhibit E to the 2019 CBJ Petition: [Supporting Legal Brief](#) (digital only)
7. [2019 Local Boundary Commission Report to the 31st Alaska Legislature, Second Session](#) (digital only)



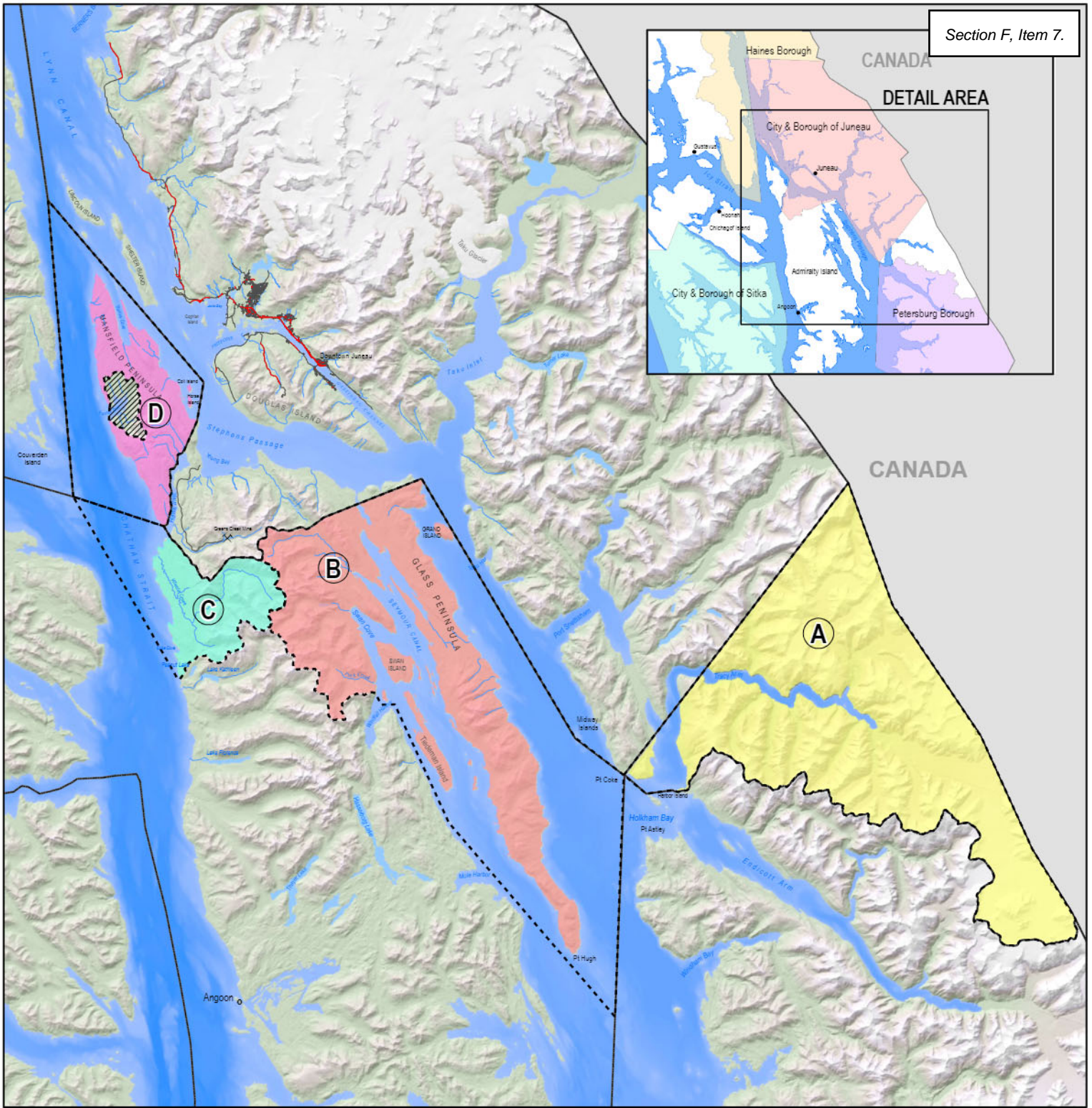
Petersburg Borough Proposal Juneau Response Exhibit 1 Contested Area



-  Petersburg Boundary Proposal
-  Juneau Contested Area
-  Juneau Annexation Proposal
-  Juneau Borough (current)

NOTES

1. The southern boundary of the contested area, and Juneau's proposed annexation, extends to Cape Fanshaw, and is defined by the southern boundaries of the Port Houghton and Dawes Glacier watersheds.
2. Juneau's proposed annexation includes all of the contested area defined on this map, and a small portion of Stephen's Passage at the southwest corner of the current Juneau Borough boundary.



PROPOSED ANNEXATION AREAS

Map date: 7/12/2019

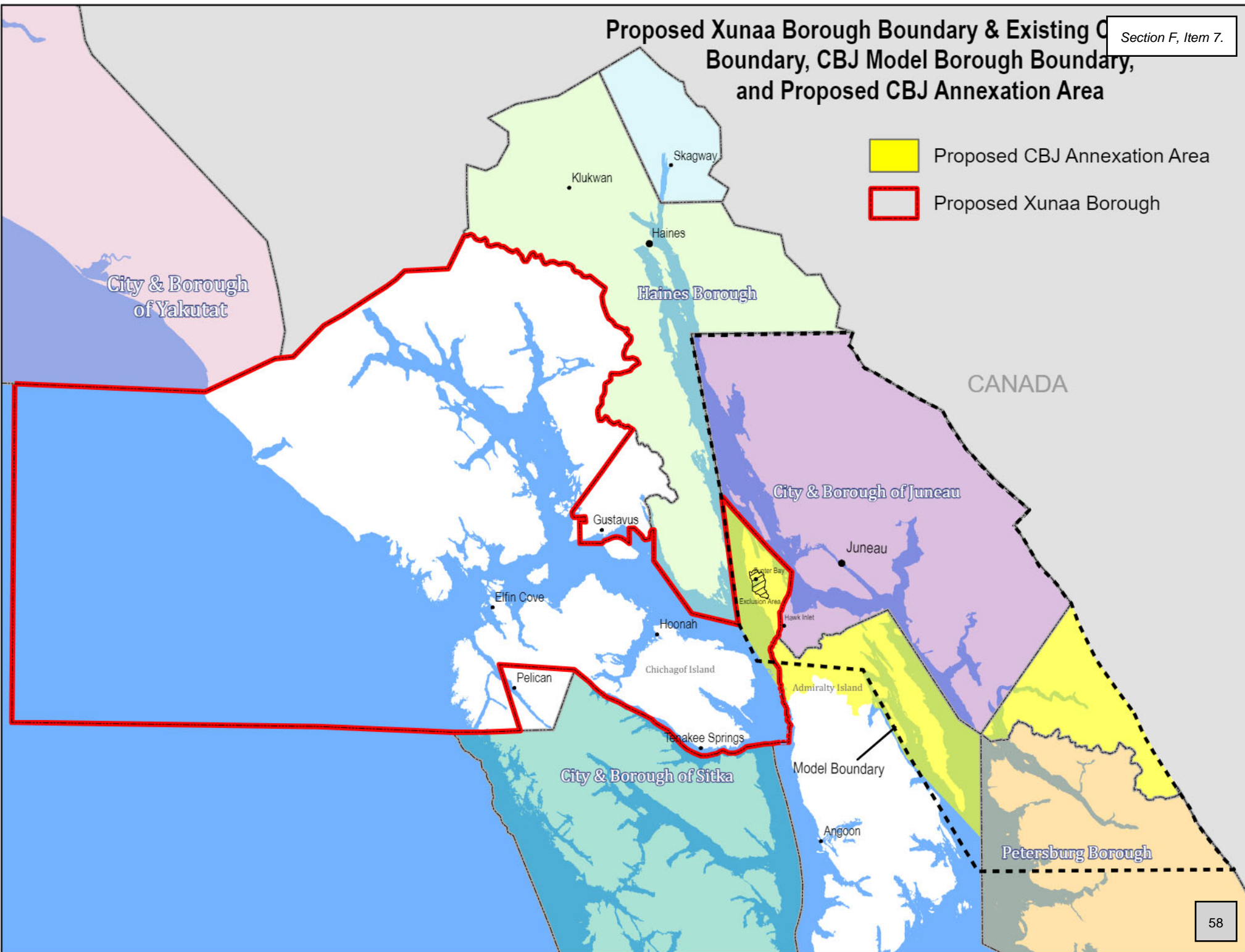


Legend

- Major Road
- Roads
- Funter Bay Exclusion
- Borough Boundary
- Proposed Annexation Area Boundaries
- Proposed Annexation Area A
- Proposed Annexation Area B
- Proposed Annexation Area C
- Proposed Annexation Area D

Proposed Xunaa Borough Boundary & Existing CBJ Model Borough Boundary, and Proposed CBJ Annexation Area

Section F, Item 7.





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

TO: Mayor Weldon and City and Borough of Juneau Assembly
FROM: Katie Koester, City Manager
DATE: January 23, 2024
RE: Ordinances 2023-14(b)(U) and 2023-14(b)(V)

The purpose of this memo is to facilitate Assembly discussion on Ordinances 2023-14(b)(U) and 2023-14(b)(V) awarding loans to the top two scoring projects in round three of the Juneau Affordable Housing Fund (JAHF).ⁱ Members had general questions at the December 18th COW on the JAHF that are answered in a memo on the next agenda item, *Formalizing the Juneau Affordable Housing Fund Guidelines*. Detailed projects summaries can be found at the [11.06.2023](#) Land Housing and Economic Development Committee.

Ordinances 2023-14(b)(U) awards \$900,000 to Coogan Alaska, LLC for Island Hills Building, 18 one-bedroom units at market rate at 401 Cordova Street in West Juneau. This project landed in second place for the scoring committee based on high rankings in feasibility, readiness to proceed, team experience, site control and development timeline. Though the application did not commit to the program guidelines of maintaining rental units at 20% of Area Median Income (AMI), the proposed rent of \$1,400 a month falls over \$400 below 20% AMI for a one bedroom unit. Ordinance 2023-14(b)(U) contains as an essential term that rents not exceed \$1,400 a month, adjusted for inflation.

Ordinance 2023-14(b)(V) awards \$2,250,000 to Chilkat Vistas. LLC for 45 units (18 efficiency and 27 one-bedroom units) off Hillcrest Ave in Lemon Creek with 14 units at 20% AMI. This was the highest-ranking project based on team experience, committed funds, site control, unit mix, and development timeline. However, since submitting the application in September of 2023 and introduction of the Ordinance earlier this month, Chilkat Vistas has asked for a revised project. They intend on building 48 efficiency units with 14 units capped at \$1,400 a month adjusted for inflation and 31 units at 80% AMI (\$1712 for an efficiency). These changes are consistent with the intent of the JAHF and make more units available at a lower price point than the original proposal.

Recommendation:

If the body is agreeable to the revised proposal by Chilkat Vistas, amend Ordinance 2023-14(b)(V) to reflect the updated proposal and forward both to the next regular assembly meeting for Public Hearing.

Enc: Revised proposal from Chilkat Vistas LLC

ⁱ Awards funded under the [JAHF](#)

CHILKAT VISTAS LLC
P.O. Box 34024 Juneau, Alaska 9980
Michael Heumann chilkatvistas@gmail.com 971-261-8014

January 18 Meeting Notes - City and Borough of Juneau and Chilkat Vistas LLC
regarding the Affordable Housing Fund Ordinance Serial No. 2023-14(b)(V)

1. CVLLC proposed to construct 48 efficiency units instead of 18 efficiency units and 27 1- bedroom units in three buildings. We wish to make this change because construction cost and financing costs have increased since we made our proposal. Efficiency units allow us to provide workforce housing at a lower rent and offer more units to folks who earn less. This concept has a smaller footprint which allows us to have three smaller builds instead of one large building which is more in keeping with the neighborhood.
2. Funding is available for 45 units. CVLLC would like to have funding for 48 units and will commit to constructing a minimum of 45 units with the present funding of \$2,250,000.
3. CVLLC will build the project in one phase, one building after the other while doing the civil work for the entire project.
4. The project completion goal is 18 months after approval of the conditional use permit. We expect the first units to be available within 6 months of Conditional Use Permit approval. CVLLC and CDD have held a pre-application conference. Conditional Use Application will be submitted next week.
5. CVLLC has obtained the U.S. Army Corps of Engineers permit for the site.
6. Rent will be \$1,400 or less for 14 units adjusted by Anchorage CPI, 31 at a rent less than 80% AMI.
7. CVLLC retains the right to develop additional units in the future as allowed by code.

BUILDING PERSPECTIVE



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Presented by: The Manager
Presented: 01/08/2024
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2023-14(b)(U)

An Ordinance Appropriating \$900,000 to the Manager for a Loan to Coogan Alaska, LLC for the Island Hills Building LMN Project; Funding Provided by the Affordable Housing Fund.

WHEREAS, during the 2023 Juneau Affordable Housing Fund solicitation, the City and Borough of Juneau received a proposal from a private development group for a construction loan of \$900,000 for 18 market rate one-bedroom units to be developed at 401 Cordova Street, Juneau, AK, 99801; and

WHEREAS, the scoring team stated that if additional funding in the Affordable Housing Fund became available, as provided in Ordinance 2013-14(b)(R), this project could be recommended for award; and

WHEREAS, prior to executing a loan agreement with CBJ, Coogan Alaska, LLC, must have secured an appraisal of the Island Hills LMN Project, which indicates that the project is financially feasible given the housing market situation in Juneau and the Southeast Alaska economy; and

WHEREAS, CBJ and Coogan Alaska, LLC, agree that since a bank loan will be used for the development project that a loan from CBJ must be secured in a manner that places CBJ's interests after those of the bank, otherwise a bank will not loan on a development project; and

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WHEREAS, given the high demand for housing and the potential benefits for the community if the Island Hills LMN Project is fully developed, the following appropriation terms and conditions are in the best interest of the community.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of \$900,000 for a loan to the Island Hills LMN Project.

Section 3. Source of Funds.

Juneau Affordable Housing Fund \$900,000

Section 4. Loan Purpose and Terms. The Manager is authorized to negotiate a loan contract with Coogan Alaska, LLC, with the following essential terms, in addition to other reasonable contractual and financing provisions deemed necessary by the Manager to protect the City and Borough:

(a) Intent. Housing is in high demand. The purpose of this loan is to provide capital in the form of a construction loan, secured by a mortgage lien, to help encourage and facilitate the development of 18 one-bedroom units to be developed at 401 Cordova Street, Juneau, AK, 99801. The 18 housing units must be developed as described in the application to the 2023 Juneau Affordable Housing Fund; if a provision of this ordinance conflicts with the application, the provision of this ordinance controls.

(b) Restrictions. The Manager must include and the Borrower must agree to the following restrictions, which are necessary to protect the public’s interest with this loan:

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- (1) **Rentable Apartments.** During the term of this loan, the housing units must remain apartments and available to rent. The apartments may be converted to other forms of housing (i.e. condos) upon complete satisfaction of the CBJ loan.
- (2) **Short-term rental.** During the term of this loan, no apartment may be used as a short-term rental. The short-term rental restriction expires upon complete satisfaction of the CBJ loan.
- (3) **Affordability.** Given that the applicant is not proposing affordable units, rents must remain at \$1,400 per month as described in the application, adjusted for inflation annually for the term of the loan.
- (4) **Borrower.** The Developer/Borrower is Coogan Alaska, LLC, represented by Wayne Coogan.
- (5) **Real Property (“Property”).** This appropriation is for an 18-unit building on a portion of the following real property:
 - Island Hills II Subdivision, according to Plat 2014-47,
 - Juneau Recording District, First Judicial District, State
 - of Alaska.
- (6) **Loan Amount.** A construction loan of \$900,000 shall be made to Coogan Alaska, LLC, in a single disbursement.
- (7) **Appraisal.** Prior to the Manager executing any loan contract, (i) Coogan Alaska, LLC, must provide a recent appraisal and (ii) the maximum debt allowed between any equity or private commercial loan and the CBJ loan must not exceed a loan to value of 75% of the appraised value of the project.

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(8) Payment Term. Coogan Alaska, LLC, shall pay CBJ monthly once repayment of the loan commences. Monthly payments shall begin the first business day of the first month that occurs 6 months after a final certificate of occupancy is obtained from the CBJ Building Official. The loan payments shall be calculated on a 25-year amortization schedule and the full amount of the loan shall be due after 10 years of payments (120 monthly payments).

(9) Interest Rate and Calculation. The loan authorized by the ordinance will be at zero percent (0%) per annum from disbursement and for the first five years of the loan repayment and two percent (2%) per annum for the remaining five years of the loan repayment. After ten years of payments, the loan shall be repaid in full.

(10) Security. Coogan Alaska, LLC, must agree and grant authority to the City and Borough to secure and record a lien for the full loan amount plus interest, costs, and reasonable attorney’s fees related to or arising from the mortgage contract against the real property and all personal property owned by the Borrower on or near the real property. Coogan Alaska, LLC, and the City and Borough may renegotiate the terms of the property which provides security for the loan over the life of the loan, but the security must match or exceed the value of the outstanding loan. Coogan Alaska, LLC, must further agree to authorize the City and Borough to secure the loan with liens on any materials purchased with the loaned money; the City and Borough will release the materials liens either upon Coogan Alaska, LLC, completing repayment or upon the permanently installing the materials onto or into the property.

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(11) Subrogation. The Manager may subrogate the CBJ's interests to those of the commercial banking lender.

(12) Additional Loan Terms. The Manager may add additional terms consistent with the intent of this ordinance.

Section 5. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____ 2024.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

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Presented by: The Manager
Presented: 01/08/2024
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2023-14(b)(V)

An Ordinance Appropriating \$2,250,000 to the Manager for a Loan to Chilkat Vistas, LLC for Chilkat Vistas Apartments; Funding Provided by the Affordable Housing Fund.

WHEREAS, during the 2023 Juneau Affordable Housing Fund solicitation, the City and Borough of Juneau received a proposal from a private development group for a construction loan of \$2,250,000 for 45 apartments (18 efficiency and 27 one-bedroom) to be developed at Chilkat Vistas Subdivision Phase 2, Tract A3 in Juneau, Alaska; and

WHEREAS, the Juneau Affordable Housing Fund Review Committee recommends the Assembly loan \$2,250,000 to Chilkat Vistas, LLC, for the Chilkat Vistas Apartment Project; and

WHEREAS, prior to executing a loan agreement with CBJ, Chilkat Vistas, LLC, must have secured an appraisal of the Chilkat Vistas Apartment Project, which indicates that project is financially feasible given the housing market situation in Juneau and the Southeast Alaska economy; and

WHEREAS, CBJ and Chilkat Vistas, LLC, agree that since a bank loan will be used for the development project that a loan from CBJ must be secured in a manner that places CBJ's interests after those of the bank, otherwise a bank will not loan on a development project; and

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WHEREAS, given the high demand for housing and the potential benefits for the community if the Chilkat Vistas Apartment Project is fully developed, the following appropriation terms and conditions are in the best interest of the community.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Appropriation. There is appropriated to the Manager the sum of \$2,250,000 for a loan to the Chilkat Vistas Apartment Project.

Section 3. Source of Funds.

Juneau Affordable Housing Fund \$2,250,000

Section 4. Loan Purpose and Terms. The Manager is authorized to negotiate a loan contract with Chilkat Vistas, LLC, with the following essential terms, in addition to other reasonable contractual and financing provisions deemed necessary by the Manager to protect the City and Borough:

(a) **Intent.** Housing is in high demand. The purpose of this loan is to provide capital in the form of a construction loan, secured by a mortgage lien, to encourage and facilitate the development of 45 apartments (18 efficiency and 27 one-bedroom) to be developed at Chilkat Vistas Subdivision Phase 2, Tract A3 in Juneau, Alaska. The 45 housing units must be developed as described in the application to the 2023 Juneau Affordable Housing Fund; if a provision of this ordinance conflicts with the application, the provision of this ordinance controls.

(b) **Restrictions.** The Manager must include and the Borrower must agree to the following restrictions, which are necessary to protect the public’s interest with this loan:

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- (1) **Rentable Apartments.** During the term of this loan, the housing units must remain apartments and available to rent. The apartments may be converted to other forms of housing (i.e. condos) upon complete satisfaction of the CBJ loan.
- (2) **Short-term rental.** During the term of this loan, no apartment may be used as a short-term rental. The short-term rental restriction expires upon complete satisfaction of the CBJ loan.
- (3) **Affordability.** As described in the application, a minimum of 14 units must be rented or available for rent to people that make 80% or less than the Juneau Area Median Income as follows, as adjusted for inflation annually for the term of the loan:

Efficiency unit	\$1,712 per month
1 bedroom unit	\$1,834 per month

- (4) **Borrower.** The Developer/Borrower is Chilkat Vistas, LLC, represented by Michael Heumann, who is the majority member (49%) of the Limited Liability Company.
- (5) **Real Property (“Property”).** This appropriation is for a 45-unit development on a portion of the following real property:

Chilkat Vistas Subdivision Phase 2, Tract A3 according
to Plat 2023-07, Juneau Recording District, First
Judicial District, State of Alaska.
- (6) **Loan Amount.** A construction loan of \$2,250,000 shall be made to Chilkat Vistas, LLC, in a single disbursement.
- (7) **Appraisal.** Prior to the Manager executing any loan contract, (i) Chilkat Vistas, LLC, must provide a recent appraisal and (ii) the maximum debt allowed between

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any equity or private commercial loan and the CBJ loan must not exceed a loan to value of 75% of the appraised value of the project.

(8) Payment Term. Chilkat Vistas, LLC, shall pay CBJ monthly once repayment of the loan commences. Monthly payments shall begin the first business day of the first month that occurs 6 months after a final certificate of occupancy is obtained from the CBJ Building Official. The loan payments shall be calculated on a 25-year amortization schedule and the full amount of the loan shall be due after 10 years of payments (120 monthly payments).

(9) Interest Rate and Calculation. The loan authorized by the ordinance will be at zero percent (0%) per annum from disbursement and for the first five years of the loan repayment and two percent (2%) per annum for the remaining five years of the loan repayment. After ten years of payments, the loan shall be repaid in full.

(10) Security. Chilkat Vistas, LLC, must agree and grant authority to the City and Borough to secure and record a lien for the full loan amount plus interest, costs, and reasonable attorney’s fees related to or arising from the mortgage contract against the real property and all personal property owned by the Borrower on or near the real property. Chilkat Vistas, LLC, and the City and Borough may renegotiate the terms of the property which provides security for the loan over the life of the loan, but the security must match or exceed the value of the outstanding loan. Chilkat Vistas, LLC, must further agree to authorize the City and Borough to secure the loan with liens on any materials purchased with the loaned money; the City and Borough will release the materials liens either upon Chilkat Vistas, LLC,

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completing repayment or upon the permanently installing the materials onto or into the property.

(11) Subrogation. The Manager may subrogate the CBJ's interests to those of the commercial banking lender.

(12) Additional Loan Terms. The Manager may add additional terms consistent with the intent of this ordinance.

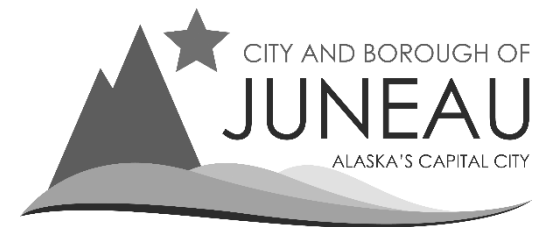
Section 5. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____ 2024.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk



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

TO: Mayor Weldon and City and Borough of Juneau Assembly
FROM: Katie Koester, City Manager
DATE: January 24, 2024
RE: Formalizing the Juneau Affordable Housing Fund Guidelines

The purpose of this memo is to give staff direction on formalizing the Juneau Affordable Housing Fund (JAHF) Guidelines through a resolution adopted by the Assembly.

History of the JAHF

The Affordable Housing Commission was created in 2008 by the CBJ to realize the goal of creating more affordable housing; the Juneau Affordable Housing Fund was a product of that commission.

In 2010 the JAHF was established with \$400,000 in HUD loan funds that was returned to the CBJ by local affordable housing developers and was matched by a \$90,000 state legislature CIP. These funds were utilized to start the Accessory Dwelling Unit Grant Program, the Manufactured Home Down Payment Assistance Program, and provided funding for the Housing Action Plan.

In 2018 the voters approved an annual appropriation of \$400,000 a year through the special 1% sales tax to "provide funding for housing activities that target families and individuals who earn 80% of the American Median Income and below." At this time the Assembly finalized changes to the JAHF competitive process, increased funding limits and established the review committee and award criteria that is currently in place.

In 2022 the 1% approved a total of \$6M over 5 years to fund "Affordable Housing initiatives, including further development of Pederson Hill." The 1% schedule included in the FY24 CIP assigns \$2.5M of that funding to Pederson Hill and the remainder to the Affordable Housing Fund at around \$1M a year.

Since the inception of the fund, it has awarded \$4.4M in funds for a total of 198 projected units.¹ This does not take into account the most recent third round that the body is on the cusp of awarding (\$3.15M).

JAHF Program Timeline

- March 31: Projects that have been funded submit annual reports to CDD.
- April: CDD staff prepare annual update for Assembly including recommendations for program changes.
- June: Assembly budget passes with funding level available for next round.
- July 1- 31, 2023: JAHF Program Guidelines posted
- August: Applications Posted; application period begins.
- August 25, 2023: Public Information Meeting @ 3:00pm AKST
- September 17, 2023: Housing Project Proposals Due 11:59pm AKST
- October 1, 2023 – October 28, 2023: Committee Review and Project Ranking Period
- November 6, 2023: Committee Report to Lands, Housing, and Economic Development Committee
- January 8, 2024: Assembly approves funding for projects.
Staff negotiate final terms and condition of loan based on essential terms included in ordinance
- February 5, 2024: Assembly approves loan agreements to borrowers.
 - Staff prepare grant agreements to non-profits – typically signed within 2 months. Reports due March 31.

How does the application review committee score applications?

The application review committee consists of five members that includes two public members from the lending and construction fields, as desired by the Assembly. The review committee recommended funding the Chilkat Vistas project, and if there was additional funding, the Island Hills project. It is important to note that while an affordability component (defined as 20% of units for tenants with gross incomes at 80% or less AMI for at least ten years or the life of the loan)ⁱⁱ is a component of scoring, it is not the only criteria. For example, Island Hills scored high enough to be the number two project based on feasibility, readiness to proceed, team experience, site control and development timeline.

Applications are scored based on:

- Team experience
- Target population served (Affordability)
- Project design and characteristics (professional plans, energy efficiency, comply with national guidance for target population and ADA standards)
- Feasibility (ability to secure financing, etc)
- Readiness to proceed

When will CBJ see loans awarded return to the fund?ⁱⁱⁱ

Loan payments are anticipated to begin by January of 2025, starting with Glacier Heights (aka Rooftop Ridgeview) at \$4,000 a month. If repayment goes as planned, all the outstanding loans (currently only Gastineau Lodges and Glacier Heights) will be paid back no later than 2034 for approximately \$2 million with interest.^{iv}

Process Improvements

There are a number of things staff recommends to improve the process for awarding funds from the JAHF. Paramount among them is adopting standard essential loan terms and parameters that mirror the [posted guidelines](#) and historical precedent. However, the Assembly needs to decide how much flexibility you want to maintain with the fund. While the JAHF guidelines give clear direction that for profit developers need to reserve 20% of units for tenants with a gross income of 80% or less AMI for at least 10 years or the life of the loan, this has not been adhered to in the first two rounds of the fund (for good reasons).

Suggested Terms and Conditions:

If nonprofit, then grant.

- Must include affordability criteria (targeting 0-80% AMI, and potentially 80-120% AMI)

If for profit, then low interest loan (concept: create housing that the private industry would not otherwise create)

- Must include affordability criteria (likely, targeting 80-120% AMI), minimum 20% of units meeting 80% AMI
- Low interest loan. For example: 0% interest for first 5 years, 2% for next 5 years, with a balloon payment due on the 120th payment (end of year 10).
- Subordinate to other commercial loans
- Loan repayment begins after the first unit gets Certificate of Occupancy (COO) or a repayment trigger if no COO is obtained
- Appraisal to ensure loan to value does not exceed 75% of the appraised value
- Secured by a lien and a mortgage contract.

Common terms:

- Up to \$50,000 per unit
- Current with CBJ: sales tax, property tax, utilities, etc.
- Restrictions

- Affordability. Application must include affordability terms (0-120% AMI), and will reflect the application
- STR. No STRs for life of loan (not sure how to police this on anything but rentals. Also not in the guidelines, but very important to Assembly)
- Rental apartment. Require units to be rental apartments. (This has been a priority of late, but it has not always been.)
- Subject to selection/ranking criteria (team experience, affordability target, feasibility, readiness)

Are you ok awarding funds through the Affordable Housing fund if there is no affordability component? Making the fund more predictable and streamlined with guidelines that are formally adopted and adhered to would make things easier for staff. However, the Assembly may want to maintain more flexibility and treat each case individually. Pros of the options are listed below to help guide your deliberation.

Pros of adopting and hearing to clear JAHF criteria (as established in the guidelines)

- Changes the Assembly role to setting the budget, approving guidelines & terms, being informed of manager’s/ committee recommendations/award, receiving an annual report and project update.
- Saves the Assembly time and headache with the lobbying from individual requests and their unique circumstances.
- Gives applicants clear expectations so the public and the developers know when the funding cycle is and what to expect.
- Loans are processed more quickly without having to go back to the Assembly to change essential terms and conditions (which can add 6 months to the process).
- Annual review of the guidelines would occur in March/April during the annual report review which would allow separation from current projects.
- Still would allow the Assembly to take up other housing projects/requests throughout the year outside of the competitive process.

Pros of maintaining flexibility and approaching each cycle uniquely

Keeping in mind the Assembly can always change the guidelines and do what you want to via ordinance.

- Allows the Assembly to address unique housing opportunities as market conditions change
- Allows developers more direct access to decision makers
- Gives the Assembly more control over the fund and process
- Has the potential to expand the use of the JAHF for other projects that may be associated with housing, but not fit into the parameters of the program
- As an example, the Assembly will likely be receiving a funding request from the Community Foundation during the FY25 budget process to create a fund at the Foundation for the purpose of purchasing 30-60% AMI housing, managed by housing non-profits, as it comes on the market

Recommendation: Discuss Assembly appetite for formally adopting Juneau Affordable Housing Fund Guidelines. If there is interest, direct staff to draft a resolution formalizing terms and conditions of the program.

ⁱ Affordable Housing Fund Tracker <https://juneau.org/community-development/grants-juneau-affordable-housing-fund>

ⁱⁱ

City and Borough of Juneau Rental Limits for 2023 (effective 5/16/23)

Bedrooms (People)	Fair Market Rent	30% AMI	60% AMI	80% AMI	100% AMI	120% AMI
Efficiency (1.0)	\$1,002	\$642	\$1,284	\$1,712	\$2,140	\$2,568
1 Bedroom (2.0)	\$1,176	\$688	\$1,375	\$1,834	\$2,292	\$2,934
2 Bedrooms (3.0)	\$1,499	\$825	\$1,650	\$2,200	\$2,750	\$3,300
3 Bedrooms (4.0)	\$2,130	\$953	\$1,906	\$2,541	\$3,176	\$3,666
4 Bedrooms (5.0)	\$2,236	\$1,063	\$2,126	\$2,835	\$3,544	\$3,960
5 Bedrooms (6.0)	\$2,571	\$1,174	\$2,347	\$3,130	\$3,912	\$4,254

Source: HUD User Datasets: https://www.huduser.gov/portal/pdrdatas_landing.html

ⁱⁱⁱ **Loans Awarded:**

1. **Torrey Pines Development** They also received a grant – a portion came out of the housing fund. Terms: \$1.891 million, 37th month after closing repayment begins at roughly \$4400 a month.
2. **Gastineau Lodges** –Terms: \$700K in split payments pre and post permitting, 4.27% interest rate. Principal and interest paid in five years. 72 units, no affordability requirement. Predevelopment loan.
3. **Ridgeview** Terms: \$1.2million. monthly payments shall begin the first business day of the first month that occurs 6 months after a final certificate of occupancy is obtained from the CBJ Building Official. The loan payments shall be calculated on a 25-year amortization schedule and the full amount of the loan shall be due after 10 years of payments (120 monthly payments). 0% interest for five years, 2% for the last five years. No affordability requirement.
4. **Chilkat Vistas** = Submitted JAHF application indicating the project would be providing affordable units; however, likely wants Ridgeview type terms.
5. **Coogan Island Hills** = Submitted application with no affordable units, 1-br fair market middle-income/workforce housing. Likely wants Ridgeview terms.

^{iv} A note about Torrey Pines: The \$418K that was paid out of the AHF for Torrey Pines was a grant to fund construction costs, and is separate from the loan for the purchase of the land. Because CBJ purchased the land from the Sales Tax Fund for the purpose of senior housing and resold it to Torrey Pines, the full loan repayment will be recorded back to the STF, not the AHF.

Assembly Goals 2024

Assembly Goals-Approved at the
XX/XX/2024 Assembly Meeting

1. Housing - Assure adequate and affordable housing for all CBJ residents

		Implementing Actions	Responsibility	Notes:
A	P	After completion of ADU change, begin major T49/Comp Plan re-write project. Include project funding in FY25 budget. Revise and improve Title-49 to facilitate housing	Assembly, Planning Commission, Manager's Office, CDD	ADU code changes are the next priority on the T49 cte docket. <i>Goals 1D, 1F, and 2A combined.</i>
B	P/F	Continue to monitor and track progress towards advancing the goals of the Housing Action Plan	Assembly, Manager's Office	Housing tracker report provided to 9/18/23 LHEDC. New in 23: Vacant/underdeveloped property map, ADU grant award increase, AHF Round 3, opening of Ridgeview Senior Housing, STR Registration Program.
C	P/F/O	Continue aggressive use of the Affordable Housing Fund, tax abatement, and other loan and grant programs	Assembly, Manager's Office	Staff report on AHF, grants and loan programs in April. Review goals and set funding levels for Round 4 in budget process.
D	P/F/AA	Evaluate and revise current CBJ systems associated with managing land and revising T49 in order to get big things done fast	Assembly, Manager's Office, CDD, Law	Discuss/update during retreat
E	P/F	Continue planning and implementation of (re)development of Telephone Hill, Pederson Hill, and the 2nd/Franklin property	Assembly, Manager's Office	T-Hill acquisition complete, property manager in place. EPW/CDD/Lands/Consultant working on redevelopment plan for Assembly review in 2024. Community engagement ongoing. 10+ acres on Pederson Hill sold to THRHA. Potential disposal of 2nd/Franklin property in conj w/potential acquisition of 2nd/Gold from SOA (SOA timeline ~4 years)
F		Measure and monitor short-term rental trends and evaluate feasibility of short-term rental regulation	Assembly, Manager's Office, CDD, Finance	
F	P/F	Reduce barriers to downtown housing development	Assembly, Manager's Office, CDD	Non and reduced parking areas established downtown.

2. Economic Development - Assure Juneau has a vibrant, diverse local economy

AA*	Implementing Actions		Responsibility	Notes:
A	F/O	Update the Comprehensive Plan	Assembly, Planning Commission, Manager's Office, CDD	Senior planning recruitment nearing completion.
B	O	Negotiate agreements with cruise lines and associated industry to eliminate hot berthing, harmonize fees, and implement reasonable daily and/or ship size limits. Support and implement strategies to manage local tourism impacts. Engage in formal regional tourism planning efforts through AML. Draft a resolution adopting the long term goals of the VITF, establish contractual relationships with private dock managers, analyze existing passenger-fee structure, and explore methods to create a pathway towards functional municipal management of the waterfront.	Assembly, Manager's Office, Docks & Harbors	Resolution completed. Contract with CLAA completed. Currently working with private dock owners on options for municipal waterfront management.
C	P/F/O/S	Consider an update to the JEP, expiring in 2025. Implement project strategy for Juneau Economic Plan, including revitalizing downtown, with regular updates	Assembly, Manager's Office	Many JEP action items are incorporated into other IAs. Consider update to JEP? Originally envisioned as 10 year plan in 2015.
D	F	Explore ways to support financing for the Capital Civic Center	Assembly, Manager's Office, Finance	\$5M previously appropriated grant match available (2022-06(b)(AJ))

Assembly Goals 2024

Assembly Goals-Approved at the XX/XX/2024 Assembly Meeting

E	P/F/S	Support Eaglecrest's objective of becoming self-sufficient	Assembly, Manager's Office, Eaglecrest	<i>Determine if this is an accurate implementing action at next joint meeting.</i>
F	P/F	Pursue and Complete design plan for West Douglas and Channel Crossing, apply for construction funding and appropriate and/or bond for local match	Assembly, CDD, Planning Commission, Manager's Office	<i>JDNC rec'd \$16.5M RAISE grant and \$7M CDS. MOU btwn CBJ/DOT in development, will cover project thru final design, incl env/permitting</i>
G	P/F/S	Explore options for redeveloping under-used downtown property	Assembly, CDD, Manager's Office, Engineering & Public Works	NPRA & Downtown Tax Abatement. AHF-eligible. Staff rec on this IA: add specificity or remove.

3. Sustainable Budget and Organization - Assure CBJ is able to deliver services in a cost efficient and effective manner that meets the needs of the community

AA*		Implementing Actions	Responsibility	Notes:
A	P/F	Develop strategy for fund balance and debt service mill rate protect restricted budget reserve	Assembly, Manager's Office, Finance	<i>\$3M contributed to RBR in FY23</i>
B	P/F	Continue to evaluate sales tax structure including equity and evaluate removing sales tax on food	Assembly, Manager's Office, Finance	Survey conducted in Spring 2023. Outcome - no change to sales tax on food.
G	P	Long term strategic planning for CIPs	Assembly, Manager's Office, EPW	<i>Legislative priorities out to boards/commissions, feedback due 12/1, then to Assembly for ranking. Begins CIP process.</i>
D	P/F	Reduce mil rate as appropriate	Assembly, Manager's Office, Finance	
E	F/O	Allocate resources to implement Assembly goals	Assembly, Manager's Office, Finance	
F	F/O	Maintain Assembly focus on deferred maintenance including BRH and JSD with emphasis on enhancing building efficiency.	Assembly, Manager's Office, EPW, all operating departments with facilities	<i>Assembly increased commitment to DM using 1% ST FY24-28. Close engagement btwn EPW, P&R, JSD, BRH on prioritization.</i>
G	P/F	Examine community grant process and priorities social service funding levels and process	Assembly, Manager's Office	<i>Change to or add: Examine community grant process and priorities</i>

*Assembly Action to Move Forward: P = Policy Development, F = Funding, S = Support, O = Operational Issue

Assembly Goals 2024

Assembly Goals-Approved at the
XX/XX/2024 Assembly Meeting

4. Community, Wellness, and Public Safety - Juneau is safe and welcoming for all citizens

AA*	Implementing Actions	Responsibility	Notes:
A P/O/ S	Acknowledge and honor Juneau's indigenous culture and place names. Develop a naming policy. Consider the impacts of recognizing additional and/or replaced holidays, including Elizabeth Peratrovich Day, Indigenous People's Day, and Juneteenth.	Assembly, Manager's Office, Human Resources Committee	<i>S Seward St changed to Heritage Way.</i>
B P/S	Explore government to government relations with tribes, working on projects meant to grow effective communication, trust, and partnerships. Create an Assembly liaison to tribal meetings.	Assembly, Manager's Office	<i>MOA/MOU discussions ongoing. Suggestion to add, "...and work on projects meant to grow effective communication, trust, and partnerships."</i>
C P/O/ F	Explore fully subsidizing transit and eliminating fares	Assembly, Manager's Office, EPW	<i>Fare-free exploration presented at 12/19/22-PWFC and 5/10/23-AFC. Roughly \$800k-revenue impact.</i>

5. Sustainable Community - Juneau will maintain a resilient social, economic, and environmental habitat for existing population and future generations.

AA*	Implementing Actions	Responsibility	Notes:
A P/O	Develop a zero waste or waste reduction plan. Implement a zero waste or waste reduction plan, including development of the Zero Waste Subdivision.	Assembly, Manager's Office, EPW, Finance	<i>Zero Waste Pathway presented to PWFC 6/26/23. Contractor selected for Waste Characterization study (due Summer 2024). Will provide baseline data to establish and measure diversion goals. Working with EPA on application to receive \$2.5M CDS for composting facility. Applied for \$4M SWIFR grant, not successful.</i>
B P/O	Develop strategy to measure, track and reduce CBJ energy consumption. Identify and prioritize the most cost-effective energy efficiency and electrification upgrades in general government facilities.	Assembly, Manager's Office, all departments	<i>Ongoing through P&R Facilities Maintenance</i>
C P/O/ F	Implement projects and strategies that advance the goal of reliance on 80% of renewable energy sources by 2045	Assembly, Manager's Office, all departments	<i>GHG Report finalized 8/4/23. 6/5/23 CBJ applied for \$5M EV charging infrastructure planning and implementation grant.</i>
D P/F	Prepare a changing climate hazards mitigation /-resilience strategy Develop mitigation and resilience strategies aimed at reducing community risk and helping Juneau adapt to climate-related hazards that have been identified in the 7/22 ACRC Report	Assembly, Manager's Office, EPW	<i>Slower than desired progress is being made on the All Hazards Mitigation Plan. FEMA approval for a grant to hire a contractor to develop a new AHMP is progressing.</i>
E P/O/ F	Develop strategy to reduce abandoned/junked vehicles	Assembly, Manager's Office, EPW, Law, P&R, D&H	<i>Ord 2023-38 (intro'd, not yet heard/adopted) is a first step in amending the traffic code to ease the burden on JPD and allow expansion of impound-in-place. A second ordinance further revising this section of code is in the works.</i>

*Assembly Action to Move Forward: P = Policy Development, F = Funding , S = Support, O = Operational Issue



MEMORANDUM

Date: January 24, 2024

To: Borough Assembly, Committee of the Whole

From: Alexandra Pierce, Tourism Manager

Re: Tourism Progress Report

At the Assembly Retreat, the body discussed options for limiting cruise ships, as well as the broader scope of CBJ's tourism management efforts. This memo provides a status update on the various components of our tourism management strategy.

Daily Cruise Passenger Limits

Staff is working with the industry on additional negotiated agreements to further limit the number of visitors. This will likely take the form of daily limits, ship size limits, or a combination of the two. It will also include a provision eliminating hot berthing as a scheduled practice. There are significant challenges with negotiating and implementing a ship free day, and such an effort would take extensive regional coordination (which port would receive our ships on that day? If another port decided to do a ship free day, would we be willing to add a ship to our schedule?). These negotiated efforts are an ongoing discussion with many iterations. As we work strategically with our regional partners, we can begin to consider negotiated efforts that affect multiple ports. For now, what happens in Juneau affects the entire region, and our port partners are closely monitoring our actions. This next agreement will focus on manageable numbers for our own community, with the goal of providing the space and time necessary to work on improving our infrastructure and pursuing multiple visitor management strategies.

Private Docks

Traditionally, CBJ dockage fees have been significantly lower than those at private docks. Staff continues to work with the private dock owners on an agreement to raise CBJ dockage fees to be competitive with private facilities, to prohibit hot berthing, to strategically schedule ships to maximize use of shore power (once installed), and to enter into a rational agreement on how marine passenger fees are allocated to public and private docks.

Shore Excursions

There has been much discussion around Juneau's shore excursion capacity and the need for more opportunities. The below chart was included in your memo at the retreat, it shows the capacity of our various excursions today vs. in the future and provides context for the discussion and status updates below.

Shore Excursion	Regulator	Current Capacity (all numbers approximate)	Future Capacity	Completion Date	Notes
Eaglecrest Gondola	Eaglecrest/Goldbelt	0	500/day	2026	
MGRA Improvements	USFS	530K/season 3500/day	870K/season 5700/day (4230/day after phase 1 complete)	Phase 1 - 2026	Three phases planned, only phase 1 funded. MGRA-based activities (rafting, hiking) are included.
CBJ park and trail-based tours	CBJ	1401	1401/day	n/a	Capacity may change with CRUS, assumes USFS permitted tours included in MGRA total
Helicopter tours	USFS	570	685/day	n/a	Limited by USFS EIS
Whale Watch	N/A	2898/day in 2019	3000/day	n/a	Increase based on more boats for 2024
Mt. Roberts Tram	N/A	7000/day	7000/day	n/a	
Total Daily Capacity		15369	16636		

Mendenhall Glacier:

The USFS issued its Record of Decision for the Mendenhall Glacier Visitor Facility Improvements. The Record of Decision approves expanded parking and staging areas, improved infrastructure, extensive trail construction and various other improvements designed to better welcome and receive visitors at the Mendenhall Glacier Recreation Area (MGRA).

This will translate to an increase in the number of commercial operator permits available. There are currently around 530,000 permits allocated, this will increase to 869,130. The permit numbers will be increased over time, tied to new infrastructure constructed. We have been told by the USFS that funding is secured for the parking lot expansion and welcome center, anticipated to be open for the 2026 season, permit increases will be allocated as follows:

- When main parking lots located closest to the lakeshore are constructed, 30% of the additional service days can be allocated for transportation.
- When additional restrooms are added in the Lakeshore Plaza area, an additional 30% of the additional service days can be allocated for transportation.
- When the Welcome Center is complete, and 3 years of monitoring have been completed (after

service day increases associated with main parking lots or additional restrooms), the full amount of service days can be allocated.

Staff is working with the USFS and local tour operators to address the issues with tour operators, glacier capacity, and Capital Transit. This is a more complex and thorny issue than simply restricting transit use to residents, moving a bus stop, or tour operators dropping off outside the MGRA boundaries. For the 2024 season, Capital Transit will add capacity, and local tour operators are adjusting their offerings to help manage daily volume. The parties involved are collaborating on a communications strategy to explain to visitors that there is limited tour capacity available and that visitors are encouraged to book tours in advance.

Whale Watching

The Whale Watching association continues to meet and will put forward recommendations on new TBMP guidelines for next year. The Assembly will receive another update from the group in the coming months.

Commercial Recreation Use Strategy

CBJ has selected Corvus Design as our commercial recreation use study contractor. Corvus will be kicking off public engagement soon. Staff have requested opportunities for engagement with individual neighborhoods in addition to a community-wide public process.

Other Efforts

Port Communities of Alaska

The Port Communities of Alaska is working to organize under Alaska Municipal League, allowing the group to hold common contracts and take positions on issues as a single entity. The group will also receive administrative and meeting support from AML. Communities throughout Alaska are currently considering their future as tourism destinations and this coordination will be important and we build toward a collective regional strategy.

Green Corridor

The Green Corridor project continues to progress. The First Movers group is working with the Maersk McKinney Moeller Center to conduct feasibility studies on the future use of green methanol or bio-oil for cruise ship propulsion. The discussion is currently between the cruise lines and home ports on supply chains, fueling infrastructure, and technical considerations. CBJ continues to be engaged to represent Alaska port interests. Depending on the type of fuel selected, Juneau may be a secondary bunkering and fueling location for either green methanol or bio-oil. We do not yet know the costs and implications of bunkering alternative fuel in Juneau, but staff will provide updates as planning continues.

Franklin to AJ Seawalk

CBJ and Petro Marine have agreed on a preferred seawalk alignment between the Franklin and AJ Docks. The next steps will be to work with the private dock owners to secure the necessary easements and to collaborate with Petro Marine on a project plan and cost estimates. Petro will be replacing its dock facilities as part of the project and both parties are committed to coordinating permitting and construction efforts to maximize efficiency.

Revolving Loan Program

Finally, you will see a Marine Passenger Fee allocation for a revolving loan program in this year’s budget. This is a new initiative to help accelerate conversions to cleaner energy infrastructure and equipment in the shore excursion industry. In the early 2000’s CBJ provided funds for a program that established low-interest loans for floatplane operators to convert to turbine otter engines, which significantly reduced flightseeing noise. The loans were administered by JEDC. This program would use the template created by this previously successful effort and refocus the loans to fund cleaner energy conversions. This could be anything from a hybrid boat engine to a cleaner running or alternative fuel bus. The goal is to stimulate investment in cleaner technologies for local operators by helping reduce financial barriers. The plan is to seed the program with an initial passenger fee allocation for FY25 and to develop and work to grow the program over the coming years.



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155 Heritage Way • Juneau, AK 99801

January 25, 2024

To: Michelle Hale, Deputy Mayor, and Members of the Committee of the Whole

From: Jill Lawhorne, Director, AICP *Jill Lawhorne*

RE: OPTIONS FOR LAND USE CODE REGULATORY CHANGES

Purpose

The purpose of this memo is to provide a brief update on the status of rewriting the land use code. At the Assembly Retreat 2023, staff was asked to provide an overview of what it would take to completely rewrite the land use code. (See Attachment A)

Staff proposes a two phased approach, recognizing that significant changes such as new zoning districts and rezones, major changes to permissible uses, and other impactful code sections should only be revised after meaningful public engagement. (See Attachment B)

Attachment B is a table that outlines the two Options proposed to date: Existing Approach / Status Quo and Complete Rewrite; and the newly proposed Phased approach.

Staff estimates the Phased approach, covering both phases, would cost approximately 3 million dollars. This budget would include the special project manager PX position, land use attorney contact, and special contractors.

Recommendation

Discuss the options to tackle Title 49 changes presented in the attached table and give staff direction on a phased approach. Discuss funding Title 49 changes outside of the budget cycle to allow project manager staff to come on board and finish flushing out the proposed outline for changes, public process, and governance structure.



Attachment A

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 Jill.Maclean@juneau.org
 www.juneau.org/CDD
 155 S. Seward Street • Juneau, AK 99801

November 29, 2023

MEMO

To: Mayor Weldon and Assembly Members

From: Jill Maclean, Director, AICP *Jill Maclean*

RE: Options for Land Use Code Regulatory Changes

Purpose

Two options to update land use regulation in Juneau.

Option 1 – Existing Approach

Process requires:

- Assembly identify a section of code to rewrite
- Staff researches and drafts language
- Title 49 Subcommittee; Public Outreach; Planning Commission; Law; Planning Commission; Assembly; and at any of these stops a small change may require a return visit to the same committee or commission
- Requires multiple, sometimes conflicting adoption processes

Vulnerabilities:

- Competing workload (permits, natural disasters and other urgent work)
- Changing priorities (Assembly driven)
- Length of time can cause stops and starts with new staff, commissioners, assembly.
- Law changes are not always reviewed by Planning Commission
- Attempts to fix a code that does not work for Juneau (intended for flat, urban locations)

Examples of this approach and approximate adoption times include:

- Downtown Juneau Alternative Development Overlay District
- Downtown Parking
- Nonconforming Situation Review

Timeline: Two years per section of code rewritten

Option 2 – Complete Re-Write

Process requires:

- Dedicated CDD and Law staff
- Contractor / consultant
- Process with public engagement (may be combined with Comp Plan process)
- Streamlining review and adoption processes
- 3 to 5 years for entire code rewrite

Vulnerabilities:

- Cost

Advantages:

- Land use regulations
 - Crafted with a Juneau lens
 - Consistent within itself
 - Consistent with Comp Plan visioning; and
 - Consistent with or complimentary to building and fire codes (Title 19)
- Protects against changing priorities

Timeline: 3-5 years for entire code

OPTIONS FOR LAND USE CODE REGULATORY CHANGES

	Option 1: Existing Approach / Status Quo	Option 2: Complete Rewrite (presented at Assembly Retreat)	Option 3: Phased Approach
Process Requires	<ul style="list-style-type: none"> • Assembly identify a section of code to rewrite • Staff researches and drafts language • Title 49 Subcommittee; Public Outreach; Planning Commission; Law; Planning Commission; Assembly; and at any of these stops a small change may require a return visit to the same committee or commission • Requires multiple, sometimes conflicting adoption processes 	<ul style="list-style-type: none"> • Dedicated CDD and Law staff • Contractor / consultant • Process with public engagement (may be combined with Comp Plan process) • Streamlining review and adoption processes • 3 to 5 years for entire code rewrite 	<p>Phase 3A (pre-Comp Plan adoption)</p> <ul style="list-style-type: none"> • Revise critical chapters of Title 49, e.g.: <ul style="list-style-type: none"> ○ Subdivision regulations ○ Public infrastructure minimum requirements ○ Updating definitions (antiquated and directly impacts interpretations of code) • Limited changes to the TPU and TDS • Conduct abbreviated community engagement e.g. videos (also useful training tools for staff, developers, engineers, architects), surveys, public meeting per section <p>Phase 3B (post-Comp Plan adoption)</p> <ul style="list-style-type: none"> • Revise zoning districts / create new zoning districts • Revise TPU, review approval authority • Revise TDS • May adopt form-based code or other non-traditional zoning: <ul style="list-style-type: none"> ○ Based on scale, massing, and impacts • Do not anticipate maintaining a strict Euclidian zoning: <ul style="list-style-type: none"> ○ Use-based, industrial uses separated from commercial uses separated from residential uses ○ Not the highest and best use of land; less flexible; and does not support critical need of housing borough-wide
Vulnerabilities	<ul style="list-style-type: none"> • Competing workload (permits, natural disasters and other urgent work) • Changing priorities (Assembly driven) • Length of time can cause stops and starts with new staff, commissioners, assembly. 	<ul style="list-style-type: none"> • Cost • Time 	<p>Phase 3A</p> <ul style="list-style-type: none"> • Cost / Staffing (assuming 2 years) <ul style="list-style-type: none"> ○ 1 CBJ FTE Special Project Manager reporting to the City Manager; \$150K per year; bonus for early completion

OPTIONS FOR LAND USE CODE REGULATORY CHANGES

	Option 1: Existing Approach / Status Quo	Option 2: Complete Rewrite (presented at Assembly Retreat)	Option 3: Phased Approach
	<ul style="list-style-type: none"> • Law changes are not always reviewed by Planning Commission • Law workload / priorities • Attempts to fix a code that does not work for Juneau (intended for flat, urban locations) 		<ul style="list-style-type: none"> ○ Land Use Attorney licensed in Alaska \$500K total, non-benefited, temporary position ○ Contractor to assist in technical writing e.g. traffic, road classifications, hillside endorsements; Cost TBD <p>Phase 3B</p> <ul style="list-style-type: none"> • Cost / Staffing • Robust community engagement • Post Comp Plan adoption • Potentially includes: <ul style="list-style-type: none"> ○ New zoning districts; new TPU; New TDS <p>Total Estimated Cost: TBD</p> <ul style="list-style-type: none"> • Difficult to isolate interconnected code sections
Advantages		<ul style="list-style-type: none"> • Land use regulations <ul style="list-style-type: none"> ○ Crafted with a Juneau lens ○ Consistent within itself ○ Consistent with Comp Plan visioning; and ○ Consistent with or complimentary to building and fire codes (Title 19) • Protects against changing priorities 	<ul style="list-style-type: none"> • Prioritizes key code elements • “Quick fixes” can be implemented • Systemic, incremental improvement – better code makes permitting easier and faster; key during difficult staffing regime
Examples	<ul style="list-style-type: none"> • Downtown Juneau Alternative Development Overlay District • Downtown Parking • Nonconforming Situation Review 		<ul style="list-style-type: none"> • Similar to existing system, but decision tree is streamlined
Estimated Timeline for Adoption	Two years per section of code rewritten	<ul style="list-style-type: none"> • 3-5 years for entire code • Community engagement paired with the Comp Plan community process 	<ul style="list-style-type: none"> • Year 1: drafting code sections and Ad Hoc Comm review <ul style="list-style-type: none"> ○ Community engagement as necessary per section drafted

OPTIONS FOR LAND USE CODE REGULATORY CHANGES

	Option 1: Existing Approach / Status Quo	Option 2: Complete Rewrite (presented at Assembly Retreat)	Option 3: Phased Approach
		<ul style="list-style-type: none"> Build support for major changes, e.g. changes zoning district types / categories; changes to TPU and TDS 	<ul style="list-style-type: none"> Year 2: streamlined adoption process through Assembly COW and Assembly <ul style="list-style-type: none"> This process eliminates the Title 49 Comm. and Planning Commission review
Governance / Review Process	<ul style="list-style-type: none"> CBJ Staff (mainly CDD & Law) Title 49 Comm. Planning Commission LHEDC, COW, Assembly 	Not the current process	<ul style="list-style-type: none"> Special Project Manager City Manager, CDD Director Ad Hoc Comm. made up of 5 to 7 representatives of the community; including one (1) assembly member, Chair of the Planning Commission, other seats assigned such as an active home builder, an active commercial builder, an engineer, an architect, environmental or natural resources, cultural resources Community seats could vary depending on code being revised

Notes:

- Options 1 and 2 were presented to the Assembly at its December 2023 annual retreat
- Options 3A and 3B are a modification of Options 1 and 2 intended to meet the Assembly’s desire to update the land use code more timely
- Option 3B should not be conducted without genuine, transparent, community engagement



JSD Budget Overview

Assembly Committee of the Whole Work Session

Frank Hauser, Superintendent
Juneau School District
January 29, 2024

JSD Budget Deficit

Current status

Proposed adjustments to Board Adopted Budget from spring 2023

Revenue:

State Foundation	-\$4,181,553	Enrollment Driven
One Time Supplemental	\$2,764,319	Legislative
PERS/TRS Onbehalf	-\$4,348,686	Overstated originally
Medicaid Billing	-\$175,000	Adjust to YTD expected
Misc	-\$32,519	Adjust to YTD actual
Board Approved	\$75,221,700	\$69,248,261 REVISED
	-\$5,973,439	Board Approved Revenue

Expense:

PERS/TRS Onbehalf	-\$4,348,686	Miscategorized in original FY24 Budget
Reconcile Staffing Expense	\$4,348,686	Miscategorized in original FY24 Budget as OBH expense
Reconciled Staffing Expense	\$663,841	Understated originally in Object Codes
PERS ER Contribution	\$1,156,120	Understated originally
TRS ER Contribution	\$369,650	Understated originally
Board Approved	\$74,656,300	\$76,845,911 REVISED
	\$2,189,611	Board Approved Expense

as of 1/9/24 Projection **Operating Budget FY24 Deficit -\$7,597,650 REVISED ***

* Does not include FB FY23 deficit of \$1.94M

Additional identified reductions since 1/9/24 Projection

Operations Savings	-\$350,000	Superintendent's reductions
HomeBRIDGE allocations	-\$300,000	Carryover allotments
Health Insurance Line Item	-\$1,000,000	Excess budget based on actual enrollments
	-\$1,650,000	

Operating Budget FY24 Deficit -\$5,947,650 REVISED

-\$1,947,423 FY23 Audited Deficit

Total Operating Budget Deficit -\$7,895,073 REVISED

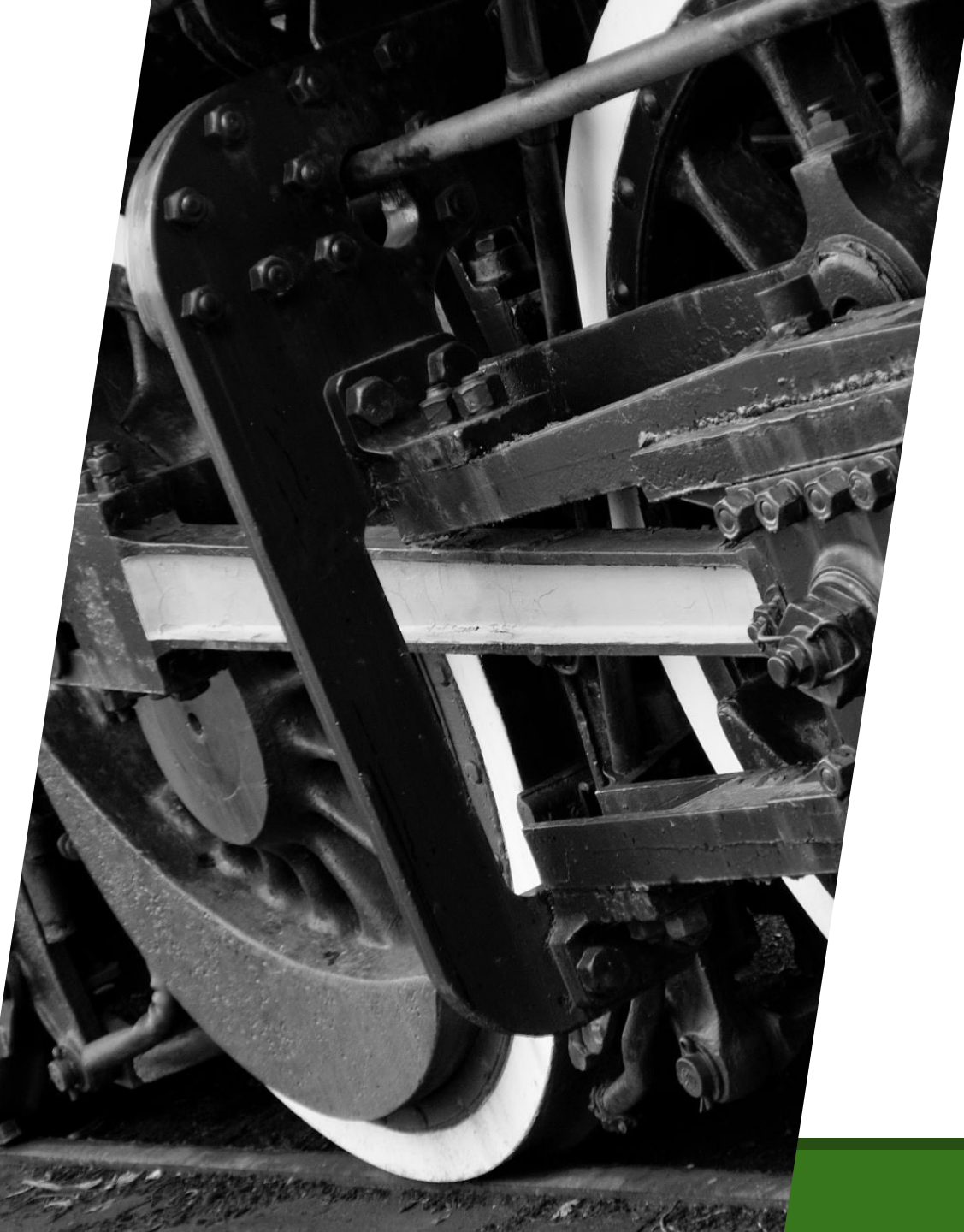
“How did JSD get here?”

ASSUMPTIONS

Key Assumptions

Resources – Operating Fund

- ◆ State Foundation funding of \$35,229,600
 - ◆ Projected BSA of \$6,330
 - ◆ 4,240 students, an increase of 12 from FY23, 100 intensive needs students
 - ◆ CBJ Support of \$30,775,800
 - ◆ Full Support to Maximum
 - ◆ PERS/TRS On-Behalf \$8,489,600
 - ◆ Other Revenues of \$726,700; such as Medicare, E-Rate, and etc.
- 84% increase**, from 6% operating fund revenues in FY23 to 11% here



“The district didn’t have Hawaii trips, and you didn’t have \$50,000 bonuses. You were being squashed from a revenue side, and the bottom side, on the expenditures, was not stopping. It was kind of a freight train that was coming from both directions.”

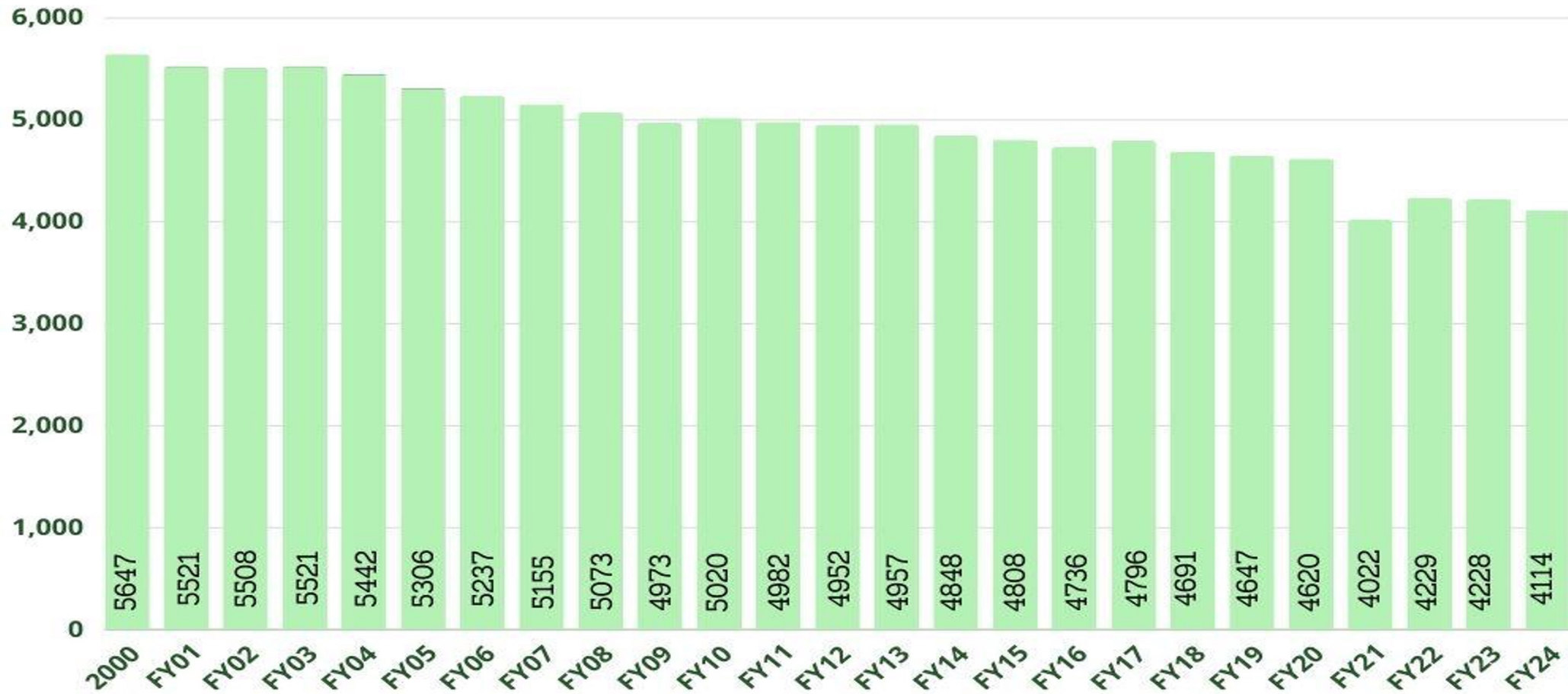
JSD moving forward

Vibrant Juneau Schools – Now and into the Future

Phase I: Restructuring, consolidating

JSD Historical Enrollment

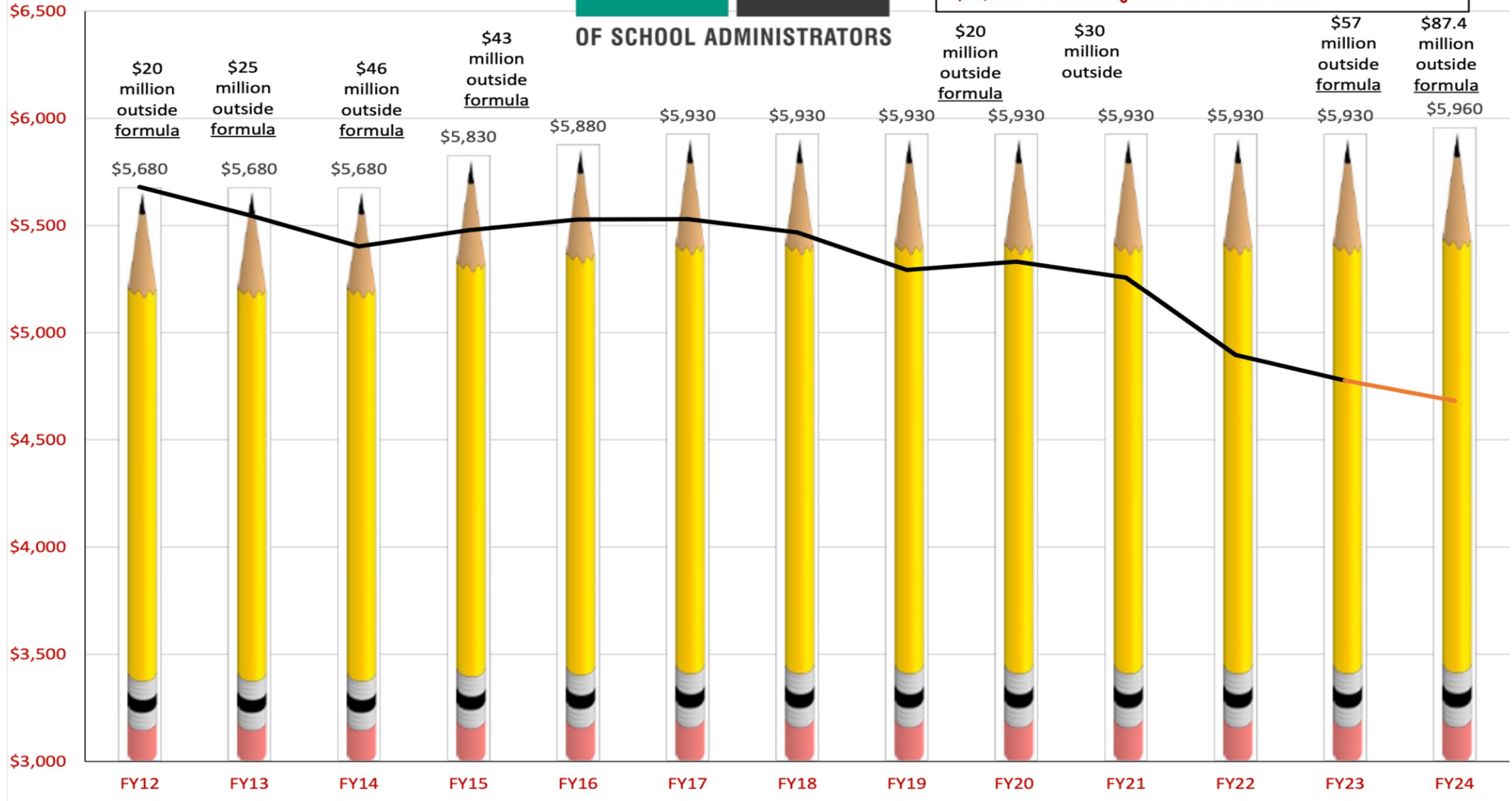
AVERAGE DAILY MEMBERSHIP 2000 - 2024
(HISTORICAL HIGH WAS 5,701 IN 1999)



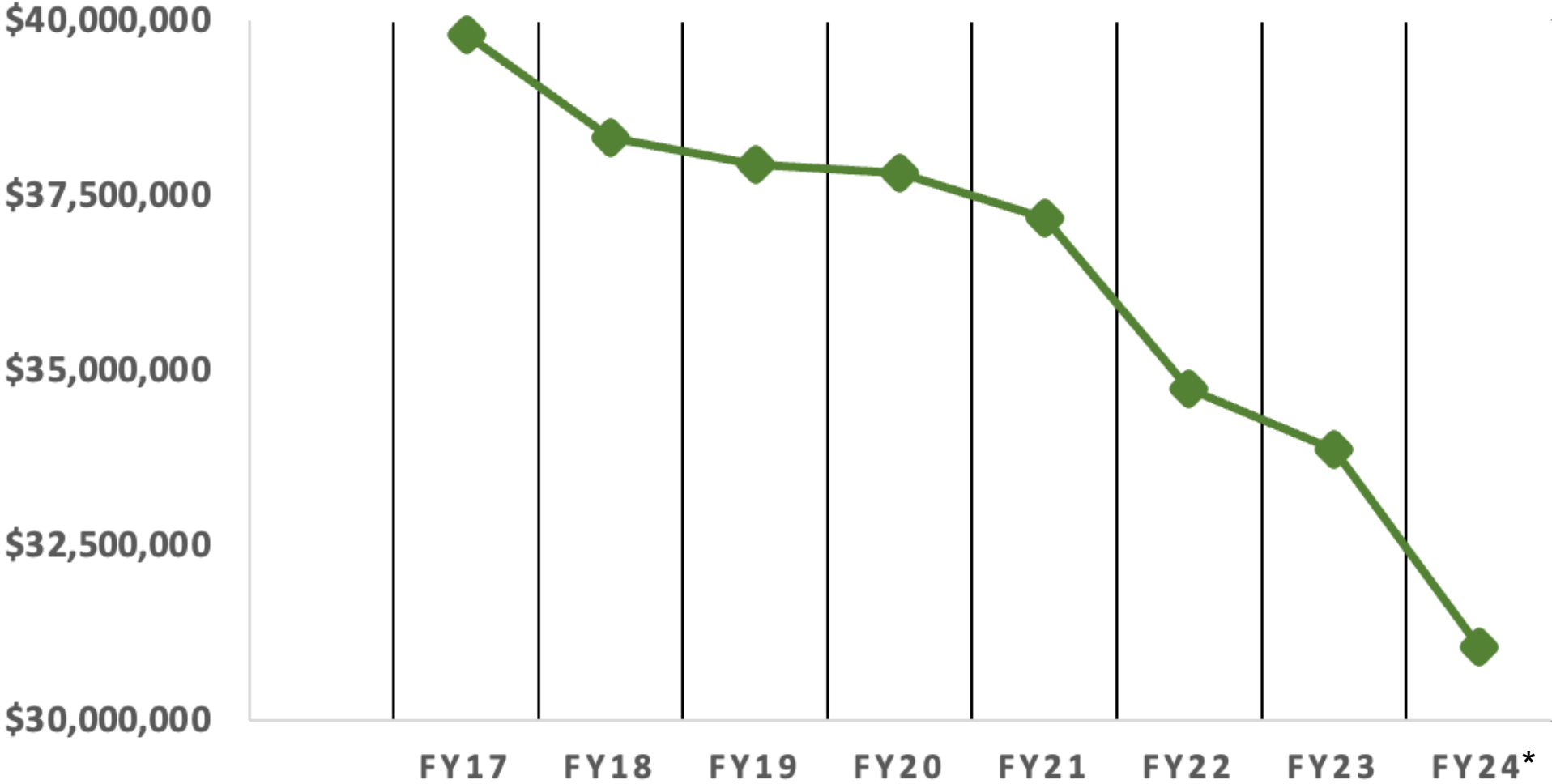


Alaska K-12 Funding Base Student Allocation Fiscal Year 2012 - 2024

Data source: Legislative Finance
Line shows inflation adjustment to FY12 value;
BSA of \$5,960 in FY24 has an FY12 value of \$4,682 when adjusted for inflation



Foundation Trend FY17 – FY24



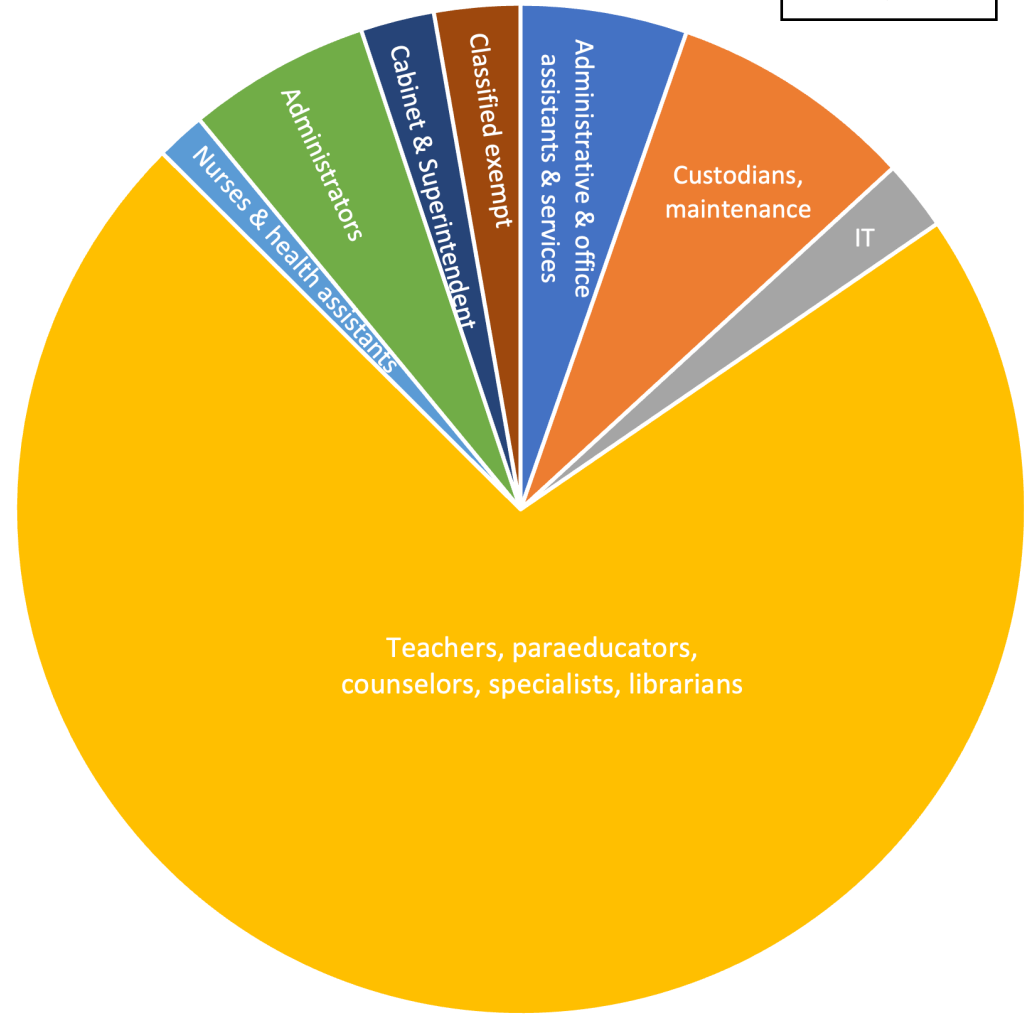
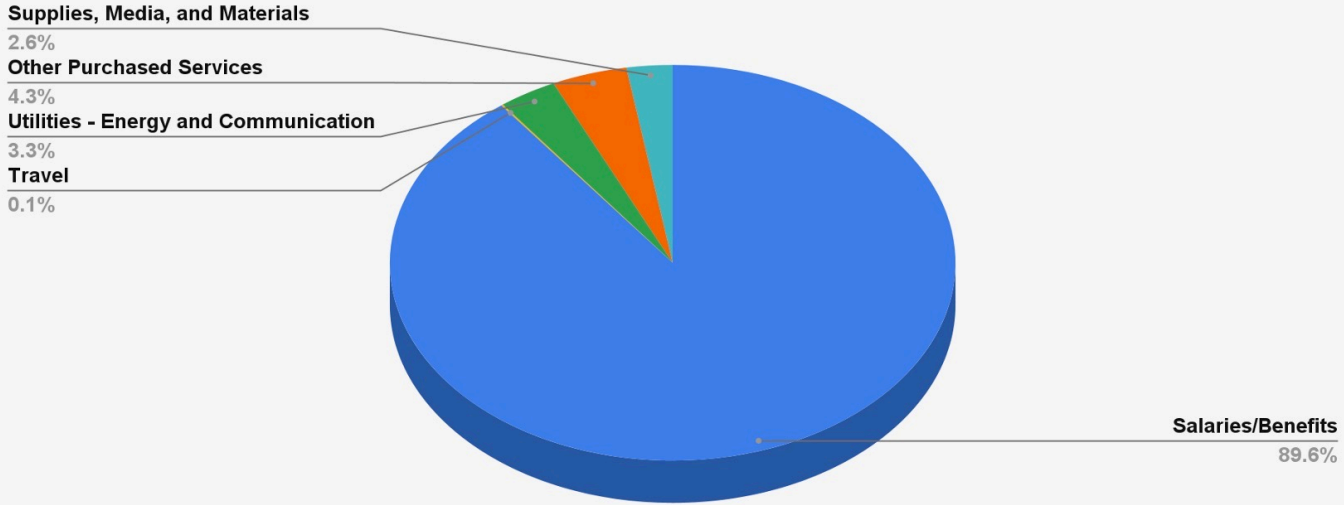
* FY24 Foundation Funding will not be finalized until March

Current combined deficit of nearly \$7.9 million
(*not* including FY25) =

395, \$20,000 decisions, or
158, \$50,000 decisions, or
66, \$120,000 decisions

Board is **REQUIRED** to pass balanced budgets for FY24 and FY25
(AS 14.17.900(a))

FY24 Expenditures by Object



Vibrant Juneau Schools – Now and into the Future

Phase I: Restructuring, consolidating

Academic Outcomes/Reorganization Task Force and Community Committee on Reorganization

- Reorganize delivery models, e.g., K-3, 4-6 schools
- Building consolidation and closure

Rough estimate of cost savings—staffing only—for average district elementary school (based on current staffing) - \$668,000*

Rough estimate of cost savings—staffing only—for average district middle school (based on current staffing) - \$913,000*

Rough estimate of cost savings—staffing only—for average district high school school (based on current staffing) - \$1.3M*

*Savings would vary due to the school size adjustment in the foundation formula

Shared Services for FY24 and FY25

JSD is interested in a conversation around non-instructional, shared services:

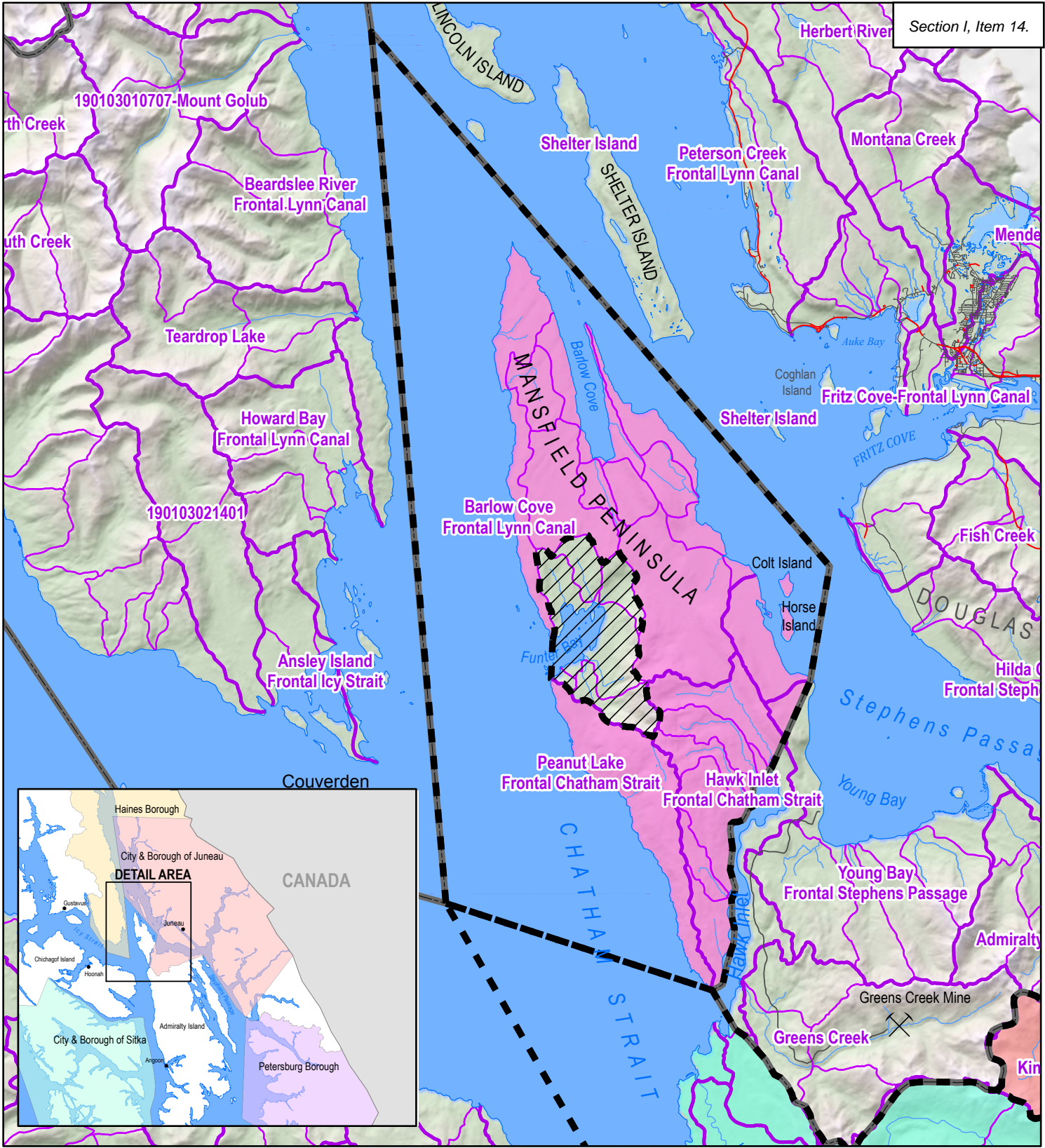
- Maintenance,
- Utilities,
- Property insurance, and
- Operational/custodial costs.

There is a shared interest in safeguarding and maintaining the asset value of facilities owned by CBJ and operated by JSD.

There is a commitment by the district to manage and provide community services and programs that offer critical and valued service to the community.

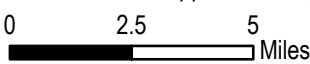
Gunálchéesh!

Thank you!



Map date: 7/9/2018

Total area = approx. 194 sq miles
 Total land area = approx. 74 sq miles
 Total water area = approx. 120 sq miles



- Major Road
- Roads
- Proposed Annexation Area Boundaries
- Borough Boundary
- Hydrographic Unit
- Hydrographic Subunit
- Funter Bay Exclusion

National Hydrographic Data obtained from USGS